ROANOKE CITY COUNCIL

November 1, 2005

4:00 p.m.

A special meeting of the Council of the City of Roanoke was called to order on Tuesday, November 1, 2005, at 4:00 p.m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke, with Mayor C. Nelson Harris presiding.

PRESENT: Council Members M. Rupert Cutler, Alfred T. Dowe, Jr., Beverly T. Fitzpatrick, Jr., Sherman P. Lea, Brenda L. McDaniel, Brian J. Wishneff and Mayor C. Nelson Harris----------7.

ABSENT: None----------0.

The Mayor declared the existence of a quorum.

At 4:05 p.m., the Mayor declared the special meeting in recess to be immediately reconvened in the City Council Chamber, Room 450, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke.

At 4:10 p.m., the special meeting reconvened in the City Council Chamber, with all members of the Council in attendance, Mayor Harris presiding.

The Mayor declared the existence of a quorum.

The invocation was delivered by Council Member Sherman P. Lea.

The Pledge of Allegiance to the Flag of the United States of America was led by Mayor Harris.

The Mayor read the following letter calling the special meeting of Council:

"Pursuant to Section 10, Meetings of Council Generally, Charter of the City of Roanoke, this is to advise you that I am calling a special meeting of the Council on Tuesday, November 1, 2005, at 4:00 p.m., in Room 159, Noel C. Taylor Municipal Building, 215 Church Avenue, S. W., City of Roanoke.

The purpose of the special meeting is to receive the report of HEERY International Corporation with regard to Victory Stadium."

Mayor Harris advised that the Council would be briefed on the Stadium Study Report prepared by Heery International, Inc., and the Victory Stadium Market and Financial Analysis report prepared by Conventions, Sports & Leisure International ("CSL"), copies of which would be available for review by the public at the Main Library and all branch libraries, and personal copies could be obtained for approximately $35.00.

Mayor Harris stated that representatives of Heery International, Inc., and CSL International would present their report without interruption, followed by a brief recess and Council Members would then make comments and ask questions of the consultants. He further stated that the meeting was not considered to be a public hearing and the Council would not entertain public comments.

The City Manager advised that Charles Anderson, Architect, representing the Engineering Division of the City's Department of Public Works, served as lead staff person on the project, which included issuance of the original Request for Proposals (RFP), review of responses to the RFP, and he served with two City Council Members on a committee to select consultants.

Mr. Anderson introduced Michael Holleman, Vice-President, Heery International; Brian Parker, representing Conventions, Sports & Leisure International ("CSL International"); and John Garland, representing Spectrum Design, and specializing in Historic Tax Credits.

Mr. Holleman stated that the purpose of the Victory Stadium Study was to:

- Evaluate existing conditions of Victory Stadium
- Develop five options requested by Council
- Review the project on the Victory Stadium site
- Prepare a comparative analysis.

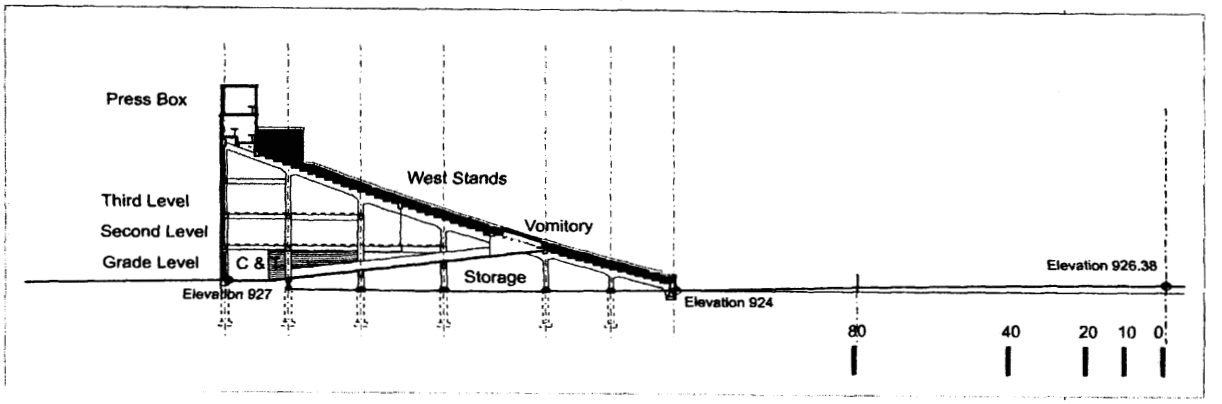
He further stated that the consultant would not make a recommendation, but would provide Council with the facts on which to make a decision.

He stated that the agenda would cover the following main issues:

- The floodplain
- An assessment of the existing stadium
- Historic Tax Credits
- Five specific options
- Discussion with regard to revenue potential and market analysis
- Financial discussion

Mr. Holleman advised that the floodplain is a major and costly issue and called attention to pictures of the floodwater up to the vomitory height of the stadium; and floodplain issues have been discussed with URS, a consulting firm from Norfolk, Virginia, and with the U. S. Army Corps of Engineers. He stated that a levy system is being constructed, but there is no guarantee that the system will be completed, and funding has been allocated for the first section.

Levels and elevation of Stadium



He advised that:

- The above diagram contains lines which show the floodplain areas that go from the two year, three year, 30-year, all the way up to the 100-year floodplain.

- The good news about the levy is that the area of the site will be protected through the ten year floodplain, and beyond that the site will continue to flood.

- Some of the wall is built for the 30-year floodplain, but water comes in from the back side and will flood the site when it reaches above the ten year floodplain.

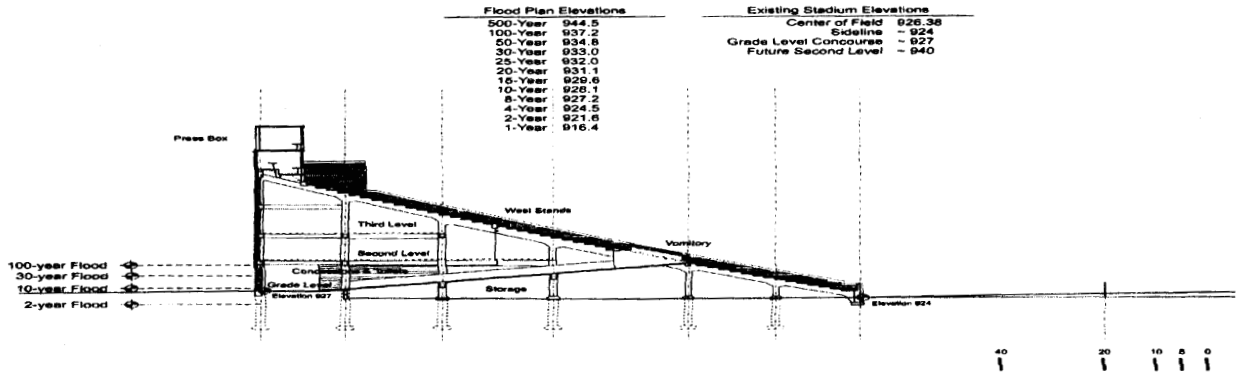
- There is a crown when looking at midfield and back through the stadium, the elevation at 924 is below the floodplain and at 927 there is a lower level underneath the stadium where locker rooms are currently located which is in the flood zone.

- The stadium was constructed to accommodate the addition of other floors in the future, reinforcing bars protrude from the beams and the stadium is capable of handling another floor in the future, which would be on two levels: the lower level and a smaller upper level.

- Looking at floodplain numbers, the 100-year floodplain is about three feet below the level of the future floor, which would provide an opportunity to move things up to that level in the event of flooding.

- The ten year floodplain is at the lower concourse, so if facilities were provided under the stadium, which may flood on occasion after the 10, 50, 100 year floods, they could be floodproofed through a kind of "hose down" construction, which would have both negative and positive aspects.

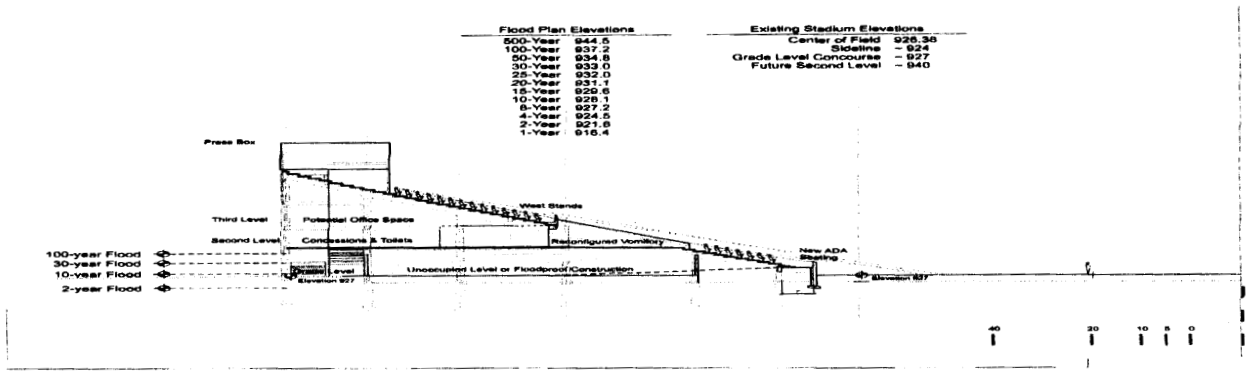
Flood Plan Elevations and Existing Stadium Elevations



- This section shows the second level, which would be above the 100 year floodplain, with enough space that floodproofing could be done for a level below.

- The section also shows the front row of the stadium removed; the first bay of the stadium, or about nine rows, would be removed and replaced with a wheelchair seating area for the handicapped.

Flood Plan Elevations - Proposed Second Level Renovations and Field Elevations:



- Previous reports and analysis include the following issues concerning the existing stadium: loose brick on the stadium, rusted ties that hold the brick to the structure which can be a potential long-term problem, an extremely small seating area, lack of restroom and concession amenities, and track and field condition.

- Numerous code issues exist.

- Victory Stadium was constructed and complied with the Life Safety Code; any renovations must comply with current codes, which include ADA, Life Safety Code, plumbing code, etc.

Positive considerations are:

- The existing stadium is structurally sound and is constructed on deep foundations, but the soil contains a considerable amount of silt because it is located in a floodplain, and it would be necessary to dig down some distance in order to hit good bedrock;

- The structure is not sinking, but slab on grade areas in the lower level have sunk causing some cracking;

- Sufficient capacity seating exists for anything that the City wishes to do;

- The stadium has a good history and memories of great events;

- The stadium is located on an existing site that is currently owned by the City.

Mr. Holleman advised that in order to be eligible for the Historic Tax Credits, the stadium would have to be registered as a historic landmark; preliminary meetings have been held with representatives of the State Office of Historic Preservation who have indicated that Victory Stadium is a facility that could be placed on the historic landmarks list; and everything within the footprint of the stadium itself which includes the east stands to the west stands, as well as the playing field, could be eligible for up to 20% Federal and 25% State funds, and the savings would come back to the City, or to the organization representing the City that would take the tax credits that may be in the neighborhood of 35%. For example, he stated that if the eligible cost is $10 million, proceeds to the City would be $3.5 million.

Mr. Holleman explained that the five options that Heery was instructed to consider are:

Option 1 - Existing stadium from a tax credit point of view;
Option 2 - Existing stadium from a non-tax credit point of view;
Option 3 - New stadium on the same site with 5,000 seats;
Option 4 - New stadium on the same site with 10,000 seats; and
Option 5 - New stadium on the same site with 15,000 seats.

He advised that:

- The basic program included bench seats, restrooms and concessions for 8,000 people; however, the feasibility of the number of events and the number of persons in attendance most likely would not be 15,000 or 20,000, therefore, a considerable amount of money would be spent for restrooms that are not needed, which would be negotiable; it would be possible to renovate existing lower restrooms to make up the difference or temporary facilities could be used; an expanded or improved press box, support space of 11,000 square feet net, locker rooms, dressing rooms, rooms for coaches and officials, and improvements to field lighting.

- Optional program areas include a new field; if the field is used with a great deal of frequency, it may be advisable to level out the playing field and install artificial turf with a full drainage system.

- The architectural façade must remain the same whether it is replaced or repaired in place in order to qualify for the Historic Tax Credit, which would impact other options regarding the type of architectural presence at the site; i.e.: it could be a "plain Jane" kind of facility or a facility of comparable nature to the current Victory Stadium.

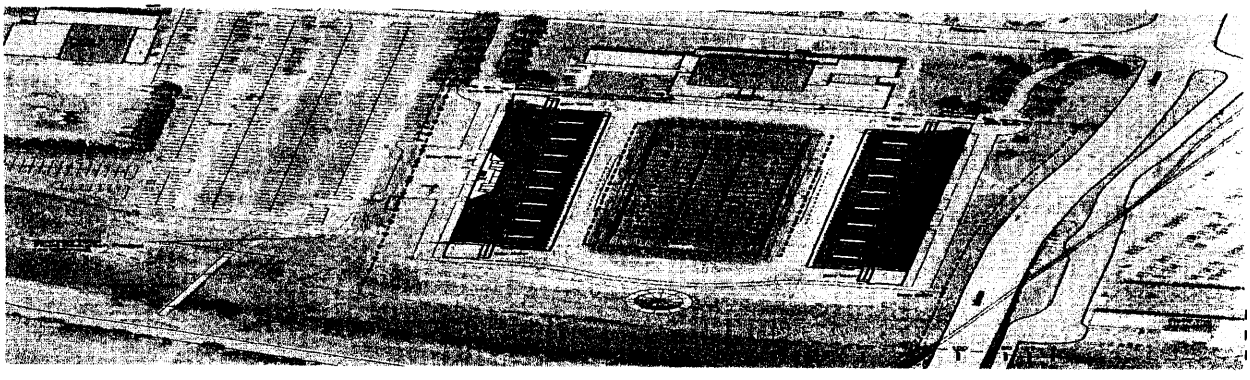
- Site aesthetics is another optional issue; i.e.: leave the site as is or improve the site with better landscaping, gateways, arches, ticketing facilities, etc.

- Another option would be to construct locker rooms above the floodplain at a higher level in lieu of floodproofing and building locker rooms underneath the stadium.

Mr. Holleman reviewed the following options:

Option 1 - Existing Stadium - Historic Rehabilitation with Historic Tax Credit

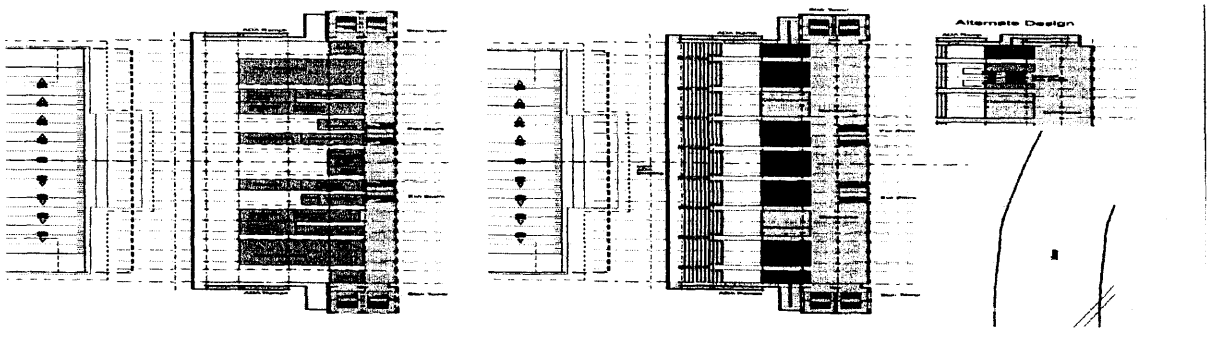
Historic Rehabilitation - Site Plan



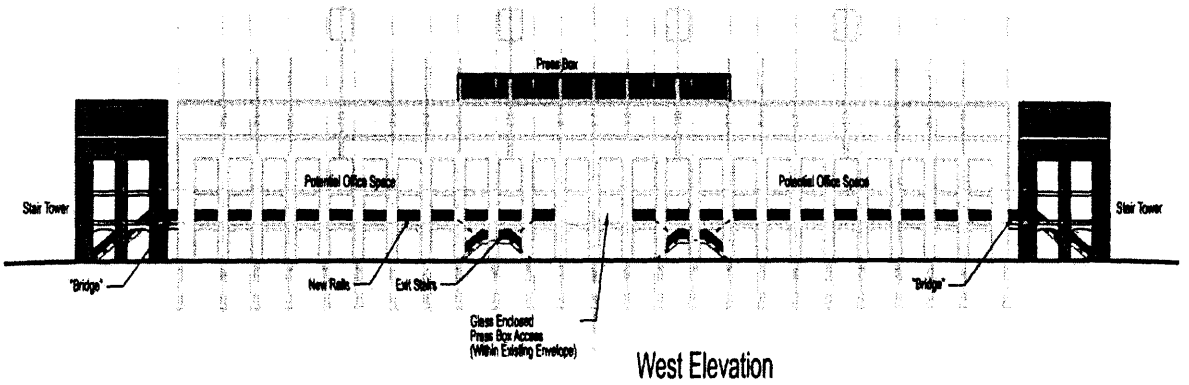
- One of the main issues with the current stadium is that the stairs do not meet current Life Saving Code standards in the aisles, however, that could be corrected in the stands when the seats are redone; redoing the front row of seats can improve the situation for disabled persons using wheelchairs; if restrooms and concessions are moved to the second floor, stairs will be needed, within the facility and outbound on the stair tower, however, anything built outside of the stadium footprint will not be eligible for historic tax credits, therefore, consideration can be given to an alternate scheme that gives up some of the restroom facilities and places the stair tower within the structure to save money, and leave the handicapped ramp outbound leading up to the wheelchair positions.

- Everything within the stadium footprint, including the field, will be eligible for Historic Tax Credit; and site costs that are beyond the footprint of the building; i.e.: parking, fencing and gateways on the outside are not eligible for Historic Tax Credits.

Historic Rehabilitation - Concourse Level

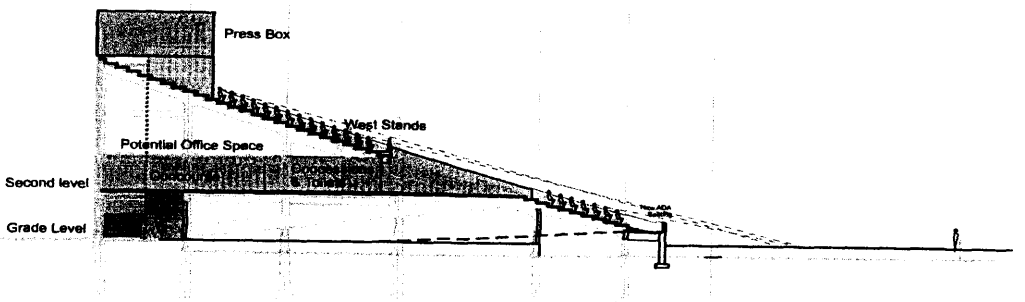


Historic Rehabilitation - Exterior Elevations



West Elevation

Historic Rehabilitation - Stadium Section

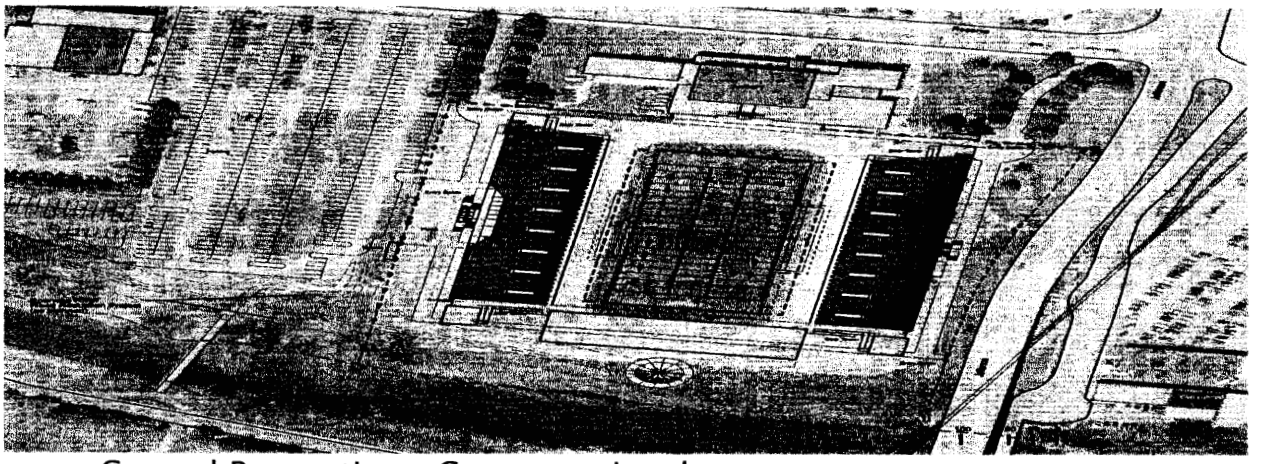


- This section shows space underneath that would be raised up about six inches above the existing concourse outside which would place the space just above the ten-year floodplain; and patrons would go up the stairs to the concourse and walk straight out into the grandstand.

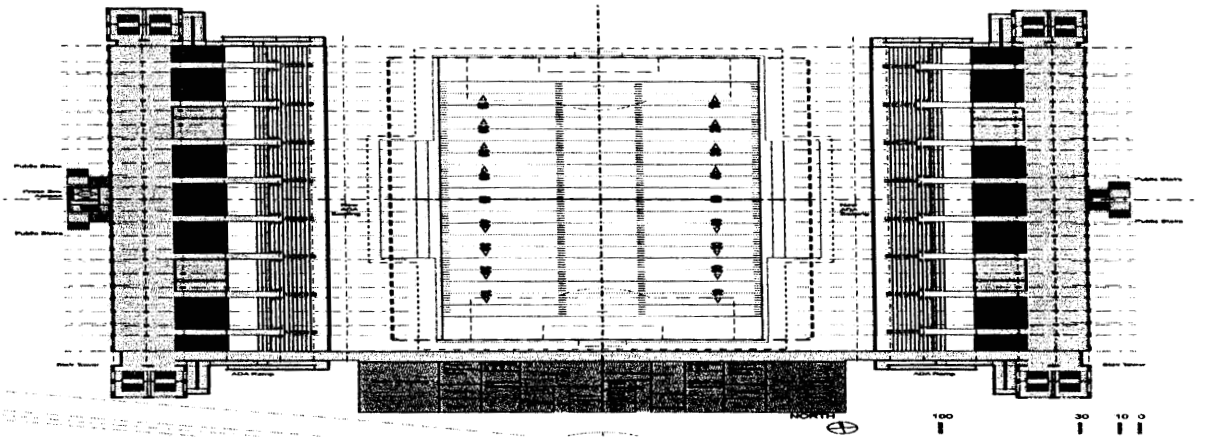
- The press box is currently bricked to a certain height; an addition was later constructed for a camera deck which does not fit within the original architecture; an elevator will need to be installed to the press box to meet ADA requirements, which will be located inside the building and would come up in the middle of the press box; and expansion of the press box toward the field side would uplift the elevator and stair access and provide the right facilities for the press box.

Option 2 - Existing Stadium - General Renovation Without Tax Credit

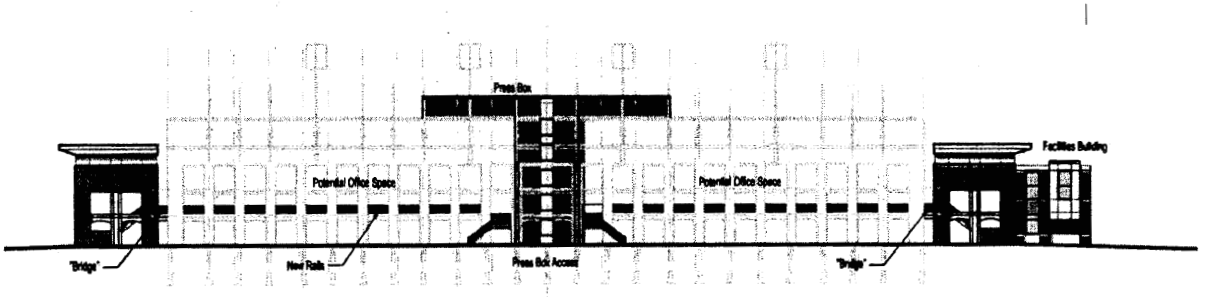
General Renovation - Site Plan



General Renovation - Concourse Level



General Renovation - Exterior Elevations



West Elevation

- This option does not qualify for Historic Tax Credit; all of the brick would not have to be put back on the building; there would be an optional choice to either remove all of the brick and leave the structure exposed, or remove all of the brick and replace brick in certain areas.

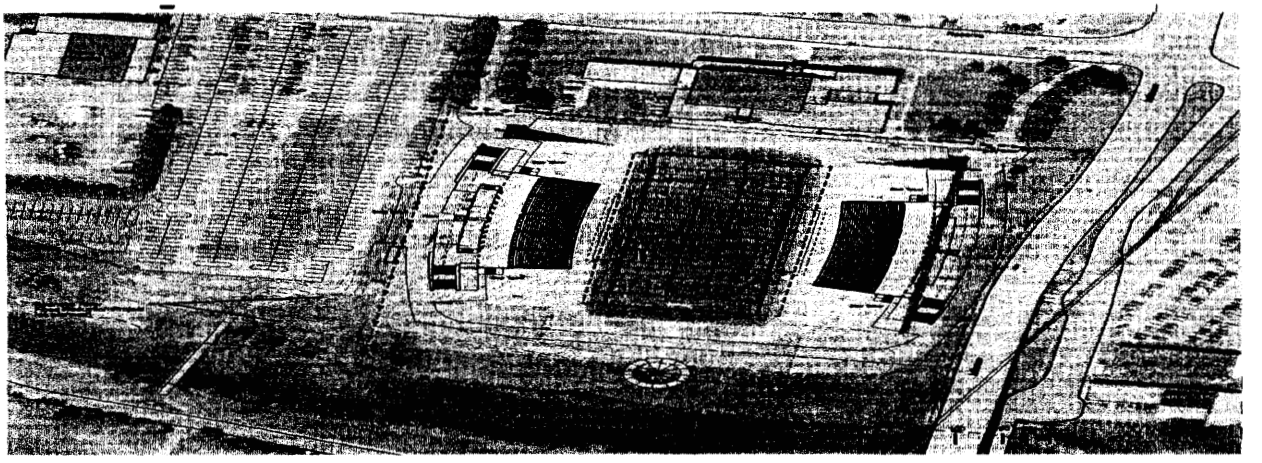
- In addition, support facilities could be left underneath the stands or, if they are taken out of the floodplain, a building could be constructed in the end zone, possibly the fountain end at the river, or a 14,000 square foot facility could be constructed for locker rooms above the floodplain; players would have to come out of the facility and go down the stairs to reach the playing field which is rarely done because players would be wearing cleats that would pose a trip hazard; or construct a ramp which would be more costly due to the need for a connector that would extend between the concourses from one side of the stadium to the other.

- Site costs include areas from the perimeter fence around the facility up to the building.

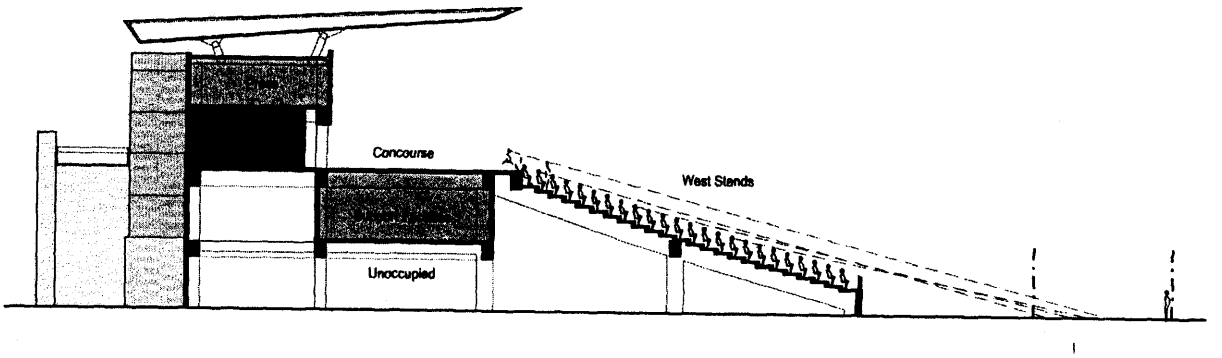
- New landscaping and a wrought iron fence with brick piers to upgrade the appearance of the stadium from the outside.

Option 3 - New 5,000 Seat Stadium

New 5,000 Seat Stadium - Site Plan



New 5,000 Seat Stadium - Stadium Sections



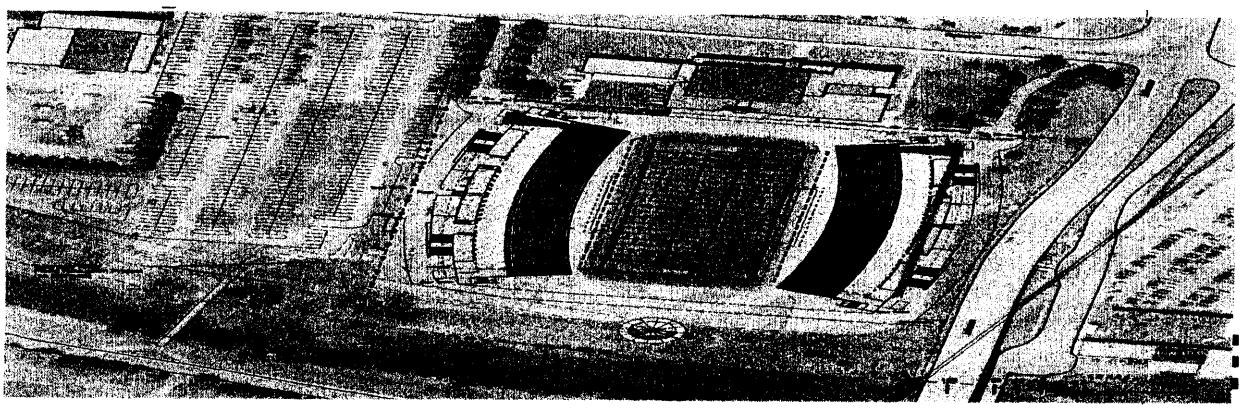
- A new 5,000 seat stadium reflects an equal number of seats on each side of the stadium; however, there could be consideration for 3,000 seats on one side and 2,000 on the other, depending on whether there is a home field side and a visiting side.

- This option is straight forward with a football field and a soccer field; seats are concentrated between the 20-yard lines, with access to a concourse in the back, and restrooms and concessions located above the floodplain.

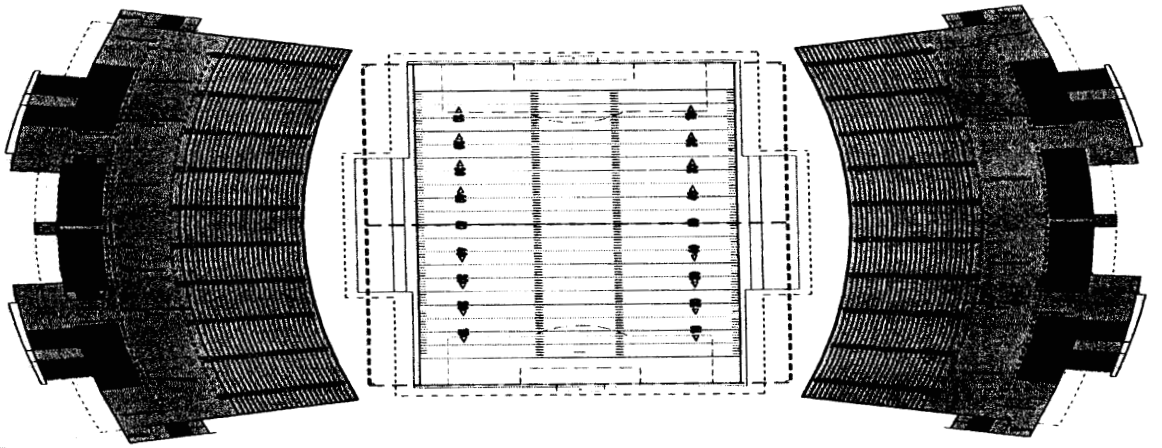
- This scenario would incur an added cost compared to building on a site that has great soil and no floods. Construction of the concourse, restrooms and concessions in the air is favorable from a fan's perspective, because they can still see out into the field; stands and ADA compliant wheelchair seating would be at the top and support facilities could either be at grade level as shown above or there is sufficient height to raise them underneath the level; and it would be less expensive than constructing the building in the end zone.

Option 4 - New 10,000 Seat Stadium

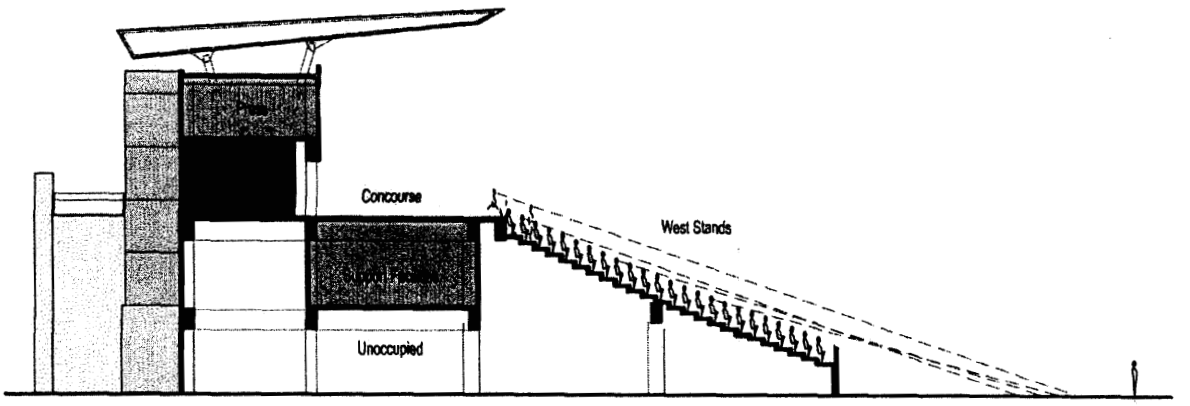
New 10,000 Seat Stadium - Site Plan



New 10,000 Seat Stadium - Concourse Level



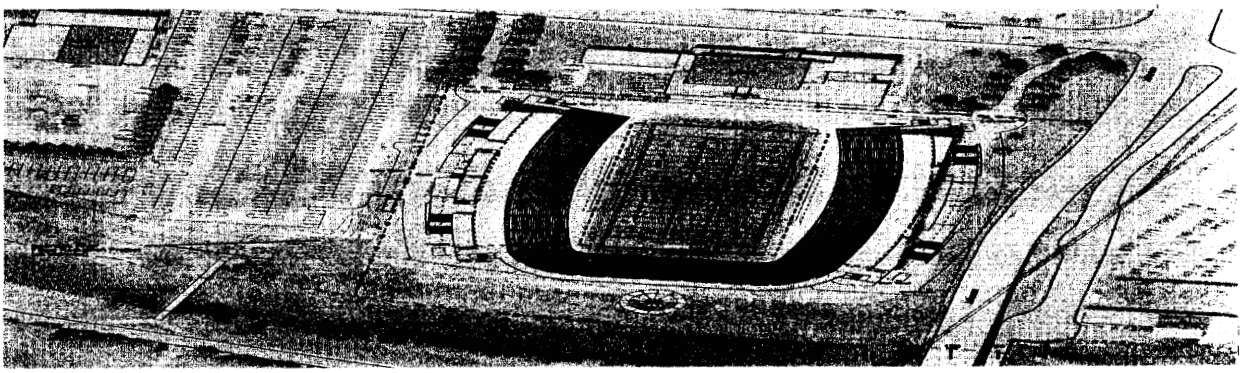
New 10,000 Seat Stadium - Stadium Sections



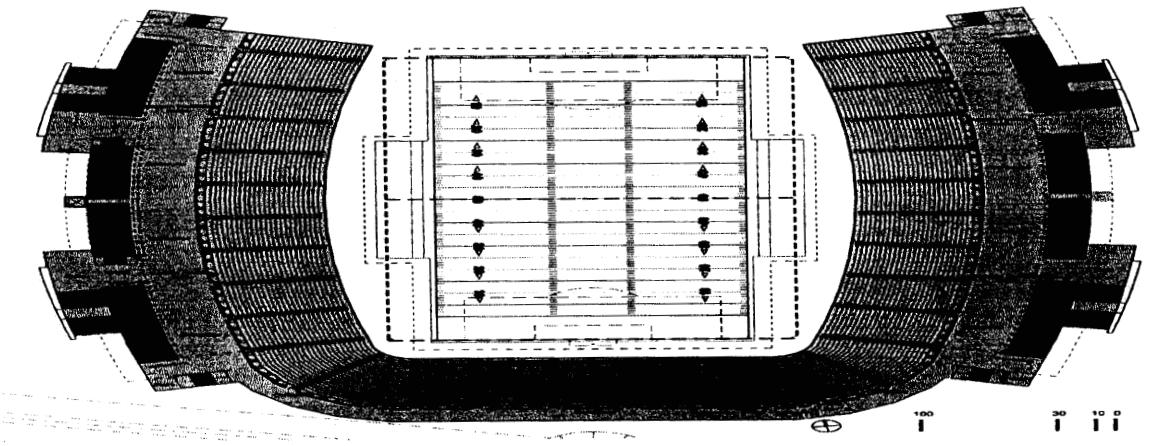
- The 10,000-seat option is similar to the 5,000 seat concept, but extends farther down the sidelines and goes to the end of the end zones.
- It is a comfortable plan, with stairs, restrooms and concessions on upper level and the ability to look down onto the field.
- A plus with regard to a 10,000 seat facility is that it begins to enclose the stadium.

Option 5 - New 15,000 Seat Stadium:

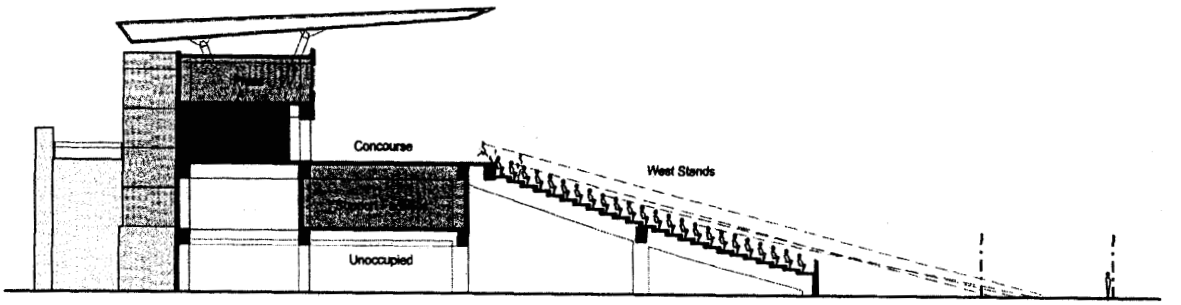
New 15,000 Seat Stadium - Site Plan



New 15,000 Seat Stadium - Concourse Level



New 15,000 Seat Stadium - Stadium Sections



- The 15,000-seat option provides for a concourse, stands that go up and patrons would go through vomitories similar to the current Victory Stadium.

- Another concept allows for a concourse allowing patrons to look down onto the field, and the remainder of the seats could be placed in one of the end zones.

- The concept also allows for a U-shaped stadium that would contain 15,000 seats, which is about two rows deeper than the previous concept, with restrooms and concessions on the side of the concourse, and a connecting walkway at the rear.

- This scenario provides a more intimate type of stadium. If the National Guard Armory building were removed from the present site, the area could become a full court or grassy area that would lead to the stadium and could accommodate both football and soccer.

Schedule

- The schedule is similar for completing all five concepts, which could be completed for the football season of 2007, with construction commencing in May 2006.

- The schedule provides for: notice to proceed, design phase, schematics, design development, construction documents, procurement, and construction.

- The renovated concepts require some renovation before the football season, and work would continue through the football season.

- The new stadium concept requires demolition of the existing stadium; i.e.: demolishing one side and leaving the other side for one season for use by fans; immediately following that season, demolition would occur on the other side, followed by construction; the end date would be the same; one side of the stands would be missing for one year, however, there is sufficient capacity and unless there is an issue with regard to separating fans from one side of the stadium from the other, it would be a workable solution.

Operating and Maintenance Costs

- Operating and maintenance costs of Victory Stadium are presently shown to be $232,000.00; depending on whether the stadium has 5,000 seats or 18,000 seats, projected costs range between $250,000.00 and $217,000.00; and certain basic costs will be incurred regardless.

At this point, Mr. Holleman turned the presentation over to Brian Parker, representing Conventions, Sports & Leisure International ("CSL International").

Mr. Parker advised that CSL International was requested to join the team with Heery International when the initial RFP was issued; Heery International reviewed physical capabilities and CSL International identified market demand and support in terms of facilities and types of events, the types of uses that a stadium in Roanoke could accommodate, needed capacities, and financials based on the abovereferenced scenarios.

Mr. Parker reviewed the following Victory Stadium Market and Financial Analysis report:

> Victory Stadium has provided the Roanoke region with a major outdoor venue for football games, soccer matches, concerts, festivals and various other events since 1941. The 25,000-seat Stadium has hosted a number of collegiate football games in its history, including the annual game between Virginia Tech and the Virginia Military Institute, which was held at the Stadium until 1971, and the Western Virginia Education Classic, which will play its sixth annual game at the Stadium in 2005. The facility has also hosted a variety of regular season and postseason high school football, soccer and lacrosse games over the years, and currently serves as the home field for the William Fleming High School and Patrick Henry High School football programs. In addition to sports events, the Stadium has served as the primary outdoor venue in Roanoke for concerts and various community and other events.
>
> While Victory Stadium has a storied history, the 64-year old structure has several deficiencies in comparison with more modern stadiums, including:
>
> - General deterioration of the structure, including exterior walls and seating areas;
> - Lack of modem amenities for fans;
> - Inadequate disabled access;
> - Susceptibility to flooding; and,
> - Other such deficiencies.
>
> The disrepair of the Stadium's bleachers has resulted in unsafe conditions for fans in much of the seating areas, resulting in a current capacity of approximately 4,000 usable seats. This limited effective capacity, along with the aforementioned Stadium deficiencies, have hindered the ability of the Stadium to attract strong event and attendance levels.

In order to address the poor state of the existing Stadium, the City of Roanoke ("the City") has been considering various renovation and replacement options for the Stadium for a number of years. However, none of these plans have been enacted to date due to disagreements on the part of several constituencies concerning the appropriate course of action. Currently, the City is considering several potential development options, as follows:

- Renovate Victory Stadium, reducing the capacity to approximately 18,000 seats;
- Build a new stadium on the same site, with a capacity of 15,000;
- Build a new stadium on the same site, with a capacity of 10,000; or,
- Build a new stadium on the same site, with a capacity of 5,000.

In order to evaluate the feasibility of each potential development option, the City retained the team of Heery International ("Heery") and Conventions, Sports and Leisure International ("CSL") to evaluate various issues related to each development option, including:

- Potential event demand;
- Potential annual financial performance, including operating revenues and operating and maintenance expenses; and,
- Other such issues.

CSL's primary role in the study was to assess the market and financial feasibility of each potential development option. Key tasks completed by CSL included:

- Assembled and analyzed key operating issues related to the development of a new or renovated stadium;

- Reviewed historical event and attendance levels of Victory Stadium;

- Assembled and analyzed the physical characteristics, event levels and financial performance of several comparable stadiums throughout the country;

- Analyzed the potential event mix of each potential development option utilizing a number of research methods including interviews with event organizers, the results of the aforementioned analyses, and various other techniques; and,

- Developed a financial model based on the estimated levels of utilization and patron spending derived from the market analysis, comparable facility analysis, and other information pertaining to the Roanoke market.

The following report focuses on the study methods and results of the aforementioned research and analyses, and is presented to the Task Force in order to assist in making informed decisions with regard to the future of its sports and entertainment facilities. The report is divided into the following sections:

1.0 Introduction
2.0 Comparable Facility Analysis
3.0 Market Demand Analysis
4.0 Preliminary Financial Analysis

2.0 Comparable Facility Analysis

Victory Stadium lacks many of the amenities and characteristics typically associated with more modem stadium venues. In order to identify specific areas of potential improvement for Victory Stadium it is helpful to gain an understanding of the physical and operational characteristics of modem stadiums. The purpose of this section is to present an analysis of the physical and operational characteristics of existing stadiums that can be considered comparable to a new or renovated Stadium in Roanoke. The stadiums included in the analysis consist of stadiums that have been built or renovated in recent years, have similar capacities to the various Victory Stadium development options, and share operational characteristics and an event focus that is similar to the proposed new or renovated Stadium.

Through research of existing facility databases, information received from various publications, and discussions with facility management, information was gathered on each stadium, including physical characteristics, event levels and other operational issues.

Stocker Memorial Stadium - Grand Junction, Colorado

The 5,100-seat Stocker Memorial Stadium is owned by the City of Grand Junction and operated by the City's Parks and Recreation Department. The Stadium opened in 1949, but has undergone several renovations in recent years to bring it up to the standards of more modem facilities. The Stadium features a natural grass football field and a ¼ -mile track, but is not able to accommodate a full-size soccer field.

Four area high schools play their home football games at the Stadium, accounting for approximately 22 events per year. Mesa State College, an NCAA Division II program, also plays five to six football games at the Stadium each year. The Stadium also hosts the graduation ceremonies for Mesa State College and each of the four high schools, as well as special events such as marching band festivals, Special Olympic events, the Shrine Circus, a cancer walk and various other events. The Stadium's track hosts high school track meets, and recently hosted the Hershey Track and Field Games. In total, the Stadium hosts approximately 50 events in a typical year.

Legion Stadium - Wilmington, North Carolina

The 6,000-seat Legion Stadium originally opened in the 1930's, but recently underwent a major two-phased renovation. Phase I renovations were completed in 2001 and included installation of a new drainage system and turf, new facade, seating, restrooms, and concessions, press box improvements, a new parking lot and general landscaping and site improvements. Phase II was completed in 2003 and included new locker rooms and a new concession stand. The Stadium is owned and operated by the City of Wilmington.

Legion Stadium is currently the home of New Hanover High School athletics. The school plays all of its football, soccer and lacrosse games at the Stadium. The facility is also home to two semi-pro football teams and the Wilmington Hammerheads of the PSL, a professional soccer league. The Stadium also hosts four to six special events a year such as concerts and art shows. Excluding athletic team practices, approximately 65 events or games are held annually at Legion Stadium. The current rental rate for the stadium is $750.00, but the City is considering increasing the rate to $1,000.00 per event in the future.

Civic Field - Bellingham, Washington

Civic Field is owned by the City of Bellingham and operated by the City's Parks and Recreation Department. The 6,000-seat stadium opened in 1960, and is currently undergoing a $10 million renovation which will include a new scoreboard, remodeled locker rooms and improved ADA access.

Civic Field's artificial Field Turf playing surface allows it to host a high number of events on an annual basis with relatively low field maintenance costs. The field serves as the home of the Division II Western Washington University's football and soccer programs.

In addition, three local high schools utilize the field for varsity and junior varsity home games. The field also hosts a few community events each year and is available for public rentals for recreational soccer practices and other such uses. The Stadium also features a track, which hosts a number of collegiate and high school track meets, as well as occasional meets organized by the City. All told, the stadium averages approximately 300 uses per year. The rental fee for the stadium ranges from $800.00 to $1,600.00.

Hugh Mills Stadium - Albany, Georgia

The 10,000-seat Hugh Mills Stadium is owned by the City of Albany/Dougherty Count combined government and is operated by the Dougherty County School District. The Stadium features a natural grass playing surface and originally opened in 1932. A series of renovations over several years have allowed the Stadium to remain viable for various types of events.

The Stadium was formerly the home of the Albany State University football program until the University constructed its own on-campus stadium in 2005. The Stadium's current tenants include four local high schools, each of which play all of their home football games at the stadium. In addition to high school football games, the Stadium hosts several high school track meets each year, including the three-day State girl's public school meet and the three-day State boys and girls private school meet. Other stadium utilization includes a variety of youth league football games. Stadium management estimates that approximately 60 events are held at the stadium on an annual basis. The Stadium's base rental rate is $300.00 per event. For high school football games and other events with significant ticket sales, an additional rental fee of $1.00 per ticket is assessed in addition to the $300.00 base fee.

Municipal Stadium - Daytona Beach, Florida

The City of Daytona Beach owns and operates Municipal Stadium, which opened in 1988. The stadium has a capacity of 10,000 seats, including 6,000 seats on the home side and 4,000 seats on the visitors' side of the Stadium.

The Stadium serves as the home of Bethune Cookman University's football program, as well as three local high school football teams. The Stadium also hosts several state high school postseason games and occasional high school and other soccer games. Stadium management indicated that, while the Stadium is capable of hosting concerts, very few have historically been held there.

Along with the football field, the Stadium features a ¼-mile motorsports track, which hosts a variety of go-kart and motorcycle races. The field and track combine to host approximately 80 events in a typical year.

Howard Wood Field - Sioux Falls, South Dakota

Howard Wood Field is a 10,000-seat stadium capable of hosting football, soccer and track and field events. The stadium is owned by the City of Sioux Falls and operated by the Sioux Falls School District. The facility originally opened in 1958. In 2003, a new artificial surface was installed, allowing the Field to increase its annual event levels. Additional renovations completed in 2005 included the addition of new concessions and restroom facilities.

Four local high schools use the Field for a portion of their varsity and junior varsity football and soccer schedules. In addition, Augustana College and the University of Sioux Falls both use the field for all of their home football games and occasional practices. Other events held at the stadium include Pee Wee and middle school football games, postseason high school football games, an annual band festival and occasional track meets. In total, school district representatives estimate that the field is used approximately 100 times per year, compared to 30 uses per year prior to the installation of artificial turf. The Field's rental rate ranges from approximately $60.00 for practices to $500.00 for events utilizing only the playing field, to $3,300.00 for collegiate football games.

Lion Stadium - Ennis, Texas

The Ennis School District opened the 10,000-seat Lion Stadium in 2001. The $13.6 million stadium features a Field Turf playing surface capable of hosting football and soccer games, as well as a ¼-mile track. Additional stadium amenities include a two-story, 7,500-square foot press box that incorporates a VIP room, radio broadcast booths and scout seating, as well as a 20 by 36-foot scoreboard and state of the art sound system.

The Stadium hosts the District's varsity and junior varsity football home games, as well as a portion of the varsity and junior varsity soccer schedule. Additional District utilization includes home track meets and graduation ceremonies. The Stadium is rented out to neighboring districts for postseason playoff football games approximately three to four times per year. In total, District official estimate that the Stadium is used approximately 25 times per season.

Braly Municipal Stadium - Florence, Alabama

The 14,215-seat Braly Municipal Stadium originally opened in the 1950's and underwent a major renovation in 1998. The Year Opened 1950 renovation included the addition of 1,200 seats, improvements to the press box and coach's booths, additional restrooms, new stands on the east side of the stadium and cleaning and repainting throughout the stadium. The Stadium features a three-level press box capable of accommodating up to 50 sportswriters as well as coaching staffs, public address announcer, clock operator and radio crews and television crews.

The Stadium is used exclusively for football games and practices, including the home games of the University of North Alabama and Florence High School, along with various regional postseason high school football games. In addition, the Stadium has hosted the NCAA Division II football championship game each year since 1986 and is under contract to continue hosting the game through 2009. In total, the facility hosts approximately 60 events in a typical year.

Summary

Within this section, physical and operational characteristics of a number of recently built or renovated municipal stadiums have been presented. The following table summarizes this information.

Comparable Stadium Summary				
	Stocker Memorial Stadium	**Legion Stadium**	**Civic Field**	**Hugh Mills Stadium**
Location	Grand Junction, CO	Wilmington, NC	Bellingham, WA	Albany, GA
Market Population	126,700	301,800	180,100	162,400
Year Opened	1949	1930	1960	1932
Year Renovated	2000-05	2001-03	2005	2002-05
Capacity	5,100	6,000	6,000	10,000
Sports Uses	Football, T&F	Football, Soccer, Lacrosse	Football, Soccer, T&F	Football, T&F
Annual Events	**50**	**65**	**300**	**60**

	Municipal Stadium	**Howard Wood Field**	**Lion Stadium**	**Braly Municipal Stadium**	**Average**
Location	Daytona Beach, FL	Sioux Falls, SD	Ennis, TX	Florence, AL	
Market Population	481,400	203,400	130,200	141,100	**215,900**
Year Opened	1988	1958	2001	1950	
Year Renovated	n/a	2003-05	n/a	1998	
Capacity	10,000	10,000	10,000	14,215	**8,900**
Sports Uses	Football, Soccer, Motorsports	Football, Soccer, T&F	Football, Soccer, T&F	Football	
Annual Events	**80**	**100**	**25**	**60**	**100**

As shown in the exhibit, the average comparable facility has a capacity of approximately 8,900 and hosts approximately 100 events per year. Excluding Civic Field, which hosts a number of sports practices on an annual basis, the remaining stadiums included in the analysis host an average of 63 events per year. Each comparable stadium hosts football games, with other sports utilization consisting of sports such as soccer, track and field, lacrosse and motor sports.

While comparisons with the facilities described within this section may be useful, the actual physical characteristics and ultimate operational philosophy adopted by the proposed new or renovated stadium will depend on the specific needs and preferences of the City and other relevant constituencies. For example, factors such as the desire to emphasize community events to benefit the region's population as a whole will need to be weighed against the need to generate acceptable revenue levels. In developing a building program and utilization plan for the stadium project, the City may look to these comparable stadiums as general benchmarks, but ultimately, must make its own decisions on how to best utilize the stadium.

3.0 Market Demand Analysis

The purpose of this section is to estimate potential event levels and attendance at a renovated Victory Stadium or a new stadium in Roanoke. For purposes of this analysis, it is assumed that a renovated Victory Stadium would have a seating capacity of approximately 18,000 seats, while a new stadium could have a capacity of 5,000, 10,000 or 15,000 seats. A variety of factors have been analyzed in order to gauge the ability of a new or renovated stadium to attract various events including, but not limited to:

- Historical Victory Stadium event and attendance levels;
- Event levels of comparable stadiums discussed in Section 2.0; and,
- Interviews with various potential stadium users.

The interviews with potential users were conducted to obtain opinions on the stadium development options being considered and to gauge interest in utilizing the stadium. These conversations provided an understanding of the Roanoke market's current ability to attract various types of events, and how the market's attractiveness could be impacted by the presence of a renovated or new stadium.

The remainder of this section summarizes the analyses conducted to develop event and attendance assumptions for each potential stadium scenario, presented by event type.

High School Football

Victory Stadium currently serves as the home field of the William Fleming High School and Patrick Henry High School football programs. Each school typically plays five regular season home games at the Stadium each fall, with attendance typically averaging approximately 1,000 to 1,500 spectators per game.

Because neither school has an on-campus stadium capable of hosting football games, it is assumed that both schools would continue to utilize a renovated Victory Stadium or a new stadium for their home games, regardless of the capacity of the stadium. However, due to the relatively modest attendance levels, a smaller stadium may be best suited to hosting these events, as such a stadium would provide a more intimate atmosphere and result in fewer empty seats for football games. A smaller stadium could also help reduce the costs associated with operating the stadium for high school football games.

Based on conversations with representatives of schools within the City of Roanoke and Roanoke County, there does not appear to be substantial demand to hold events at a new or renovated Victory Stadium beyond the games currently played at the Stadium by William Fleming and Patrick Henry High Schools. Schools generally stated a preference to play home games at on-campus stadiums when possible. Therefore, it is possible that William Fleming and/or Patrick Henry High School could elect to remove their games from Victory Stadium if appropriate facilities are built on their respective campuses.

For purposes of this analysis, it is assumed that a new or renovated stadium in Roanoke could host approximately 10 regular season high school football games per season, with average attendance of approximately 2,000 per game, regardless of stadium capacity. These estimates do not include postseason games, which will be discussed later in this section.

Summary of High School Football Assumptions					
	Victory Stadium 2004 Events	**18,000 Seats**	**15,000 Seats**	**10,000 Seats**	**5,000 Seats**
Annual Events	11	10	10	10	10
Attendance:					
Average	1,000	2,000	2,000	2,000	2,000
Annual	11,000	20,000	20,000	20,000	20,000

High School Soccer

In addition to football games, Victory Stadium has also hosted high school soccer games in past years, including seven games in 2004. However, the Stadium did not host any high school soccer games in 2005. Attendance for high school soccer events at the stadium has averaged approximately 200 per game. As with regular season high school football, a smaller stadium may be best suited to hosting high school soccer events due to the relatively low attendance levels typically associated with soccer games.

For purposes of this analysis, it is assumed that the improved amenities associated with a new or renovated stadium could cause William Fleming and Patrick Henry High Schools could hold the majority of their varsity boys and girls soccer games at the stadium. Specifically, it is assumed that the stadium could host approximately 30 regular season high school soccer games per season, excluding potential postseason games. Attendance at these games is estimated to average approximately 300 per game.

Summary of High School Soccer Assumptions					
	Victory Stadium 2004 Events	18,000 Seats	15,000 Seats	10,000 Seats	5,000 Seats
Annual Events	7	30	30	30	30
Attendance:					
Average	200	300	300	300	300
Annual	1,400	9,000	9,000	9,000	9,000

High School Lacrosse

Patrick Henry High School is the only school within the City of Roanoke that fields lacrosse teams. Two high school lacrosse games were held at Victory Stadium in 2004, but none were held at the stadium in 2005. For purposes of this analysis, it is assumed that Patrick Henry High School would continue to play its lacrosse games at locations other than a new or renovated Victory Stadium. Therefore, no regular season high school lacrosse games are included in the event estimates developed for this analysis. However, postseason lacrosse could potentially be held at the stadium, as discussed below.

Postseason High School Sports

Along with the regular season high school sports discussed previously, Victory Stadium has historically hosted a number of postseason high school events. According to representatives of the Virginia High School League (VHSL), the early rounds of postseason tournaments are typically held at the home stadiums of participating schools. Therefore, the extent to which a new or renovated stadium in Roanoke would host early round postseason football, soccer or lacrosse postseason events would likely depend on William Fleming, Patrick Henry or another local school playing host to the game, and choosing to hold the game at the stadium. As a result, playoff utilization could fluctuate from year to year, depending on the ability of local teams to qualify to host postseason play.

The final rounds of postseason tournaments are typically predetermined by the VHSL. All of the spring sports championships, including soccer, lacrosse, baseball and softball, are held in the same city over the same time period, resulting in a spring sports "festival". Currently, Radford University in Radford hosts the Class A and AA spring sports festival, while Christopher Newport University in Newport News hosts the Class AAA event.

The ability of a new or renovated stadium to host soccer or lacrosse championships would depend on Roanoke's ability to prepare a bid to host all of the aforementioned spring sports. The soccer championship, which consists of the semifinal and final rounds, requires a stadium capacity of 1,000 to 1,500, with a field measuring at least 110 yards by 65 yards. There is no minimum capacity requirement for the lacrosse championship.

Football championship games could represent an additional source of postseason utilization for the proposed new or renovated stadium. The VHSL currently conducts championships in six classes. The following table presents the current locations of the final for each division, as well as the minimum required seating capacity to host the event as determined by the VHSL.

VHSL Football Championship Game Overview			
Division	**Current Host**	**Location**	**Minimum Stadium Capacity**
Division 1	James Madison University	Harrisonburg	6,000
Division 2	James Madison University	Harrisonburg	5,000
Division 3	Liberty University	Lynchburg	4,000
Division 4	Liberty University	Lynchburg	3,500
Division 5	University of Richmond	Richmond	2,000
Division 6	University of Richmond	Richmond	1,500

As shown, the six football championship games are currently divided between three host Universities, each of which hosts two championships on the same day. VHSL representatives indicated that they have been pleased with each of the current hosts, but Roanoke could make a proposal to the VHSL Executive Committee to host a football championship event if it had an appropriate stadium.

The current locations are based primarily on the proximity of each University to the greatest concentration of schools within each division. Based on conversations with VHSL representatives, the Division 3 and 4 championships would represent the best geographic fit for Roanoke. While the official capacity requirements to host these events are 3,500 and 4,000, respectively, VHSL representatives indicated that attendance has often reached 8,000 to 9,000 in recent years. Therefore, a stadium with a capacity of 10,000 would likely be adequate in order for Roanoke to attract these events.

In addition to stadium capacity, other factors considered by the VHSL when considering sites for football championship events include:

- Safety of the facility and playing surface;
- Locker room access and space;
- Financial potential;
- Motel and restaurant accommodations;
- Parking availability;
- Traffic ingress/egress; and,
- Facilities for television filming.

While specific guidelines for these factors have not been developed, the stadium and market must be adequate in each area in order to attract consideration for football championship games.

For purposes of this analysis, it is estimated that a new or renovated stadium in Roanoke could host approximately two postseason events in a typical year. These games are assumed to represent games hosted by local high schools who earn the right to host postseason events. While a stadium with a capacity of at least 10,000 seats could potentially attract two divisions of State football championship games, there is no guarantee that the presence of a new or renovated stadium would attract these events. Therefore, they have not been included in the estimates developed herein.

Summary of High School Postseason Assumptions					
	Victory Stadium 2004 Events	18,000 Seats	15,000 Seats	10,000 Seats	5,000 Seats
Annual Events	3	2	2	2	2
Attendance:					
Average	2,500	2,500	2,500	2,500	2,500
Annual	6,000	5,000	5,000	5,000	5,000
Note: Estimates exclude potential State tournament games.					

College Sports

Victory Stadium has hosted a variety of collegiate sports events in past years, most notably the annual football game between Virginia Tech and the Virginia Military Institute, which was held at the stadium for several decades until 1971. Currently, the Stadium hosts the annual Western Virginia Education Classic, which features two regional collegiate teams and raises funds to help address school dropout problems among area youth. The Classic typically draws approximately 6,000 fans per year.

In order to assess interest in bringing additional collegiate sports events to a new or renovated stadium in Roanoke, interviews were conducted with representatives of the NCAA, as well as several regional colleges, universities and collegiate athletic conferences. Representatives of area colleges and universities generally indicated limited interest in utilizing a stadium in Roanoke, as they typically prefer to host events at on-campus facilities, allowing them to limit travel costs and enjoy a home field advantage. In order to induce these programs to relocate a home game to a stadium in Roanoke, the City would likely need to provide financial guarantees to the school to offset the costs associated with a neutral field game. Such financial incentives would negatively impact the Stadium's financial bottom line, and would need to be weighed against the revenue generating potential of the events.

In the case of major NCAA Division I programs such as Virginia Tech and the University of Virginia, the financial incentives required to lure them to Roanoke would likely be prohibitive, as these universities generate substantial game day revenues from their on-campus stadiums. Division II and III programs would likely require more modest guarantees to cover travel costs. However, these games would lack the prestige, attendance levels and economic impact that could be generated by a Division I game.

In terms of postseason collegiate games, many of the collegiate athletic conferences with member institutions in the Roanoke region play at the NCAA Division II or Division III levels. Conferences at these levels typically do not play a football championship game, relying solely on regular season results to determine a conference champion. Lower division conference championship events in sports such as soccer and lacrosse are typically held at on-campus locations and are hosted by the top seeded university or are determined on an annual rotation among schools within the conference. Utilizing on-campus facilities decreases the travel costs associated with the championship events and helps draw fans to events that would otherwise have limited regional interest. Therefore, it is unlikely that that the majority of regional conferences would utilize a stadium in Roanoke for postseason events.

While minor conferences indicated little interest in utilizing the proposed new or renovated stadium, representatives of the Atlantic Coast Conference (ACC), a major NCAA Division I conference whose members include Virginia Tech and the University of Virginia, indicated that a new or renovated stadium in Roanoke could potentially host the conference's postseason soccer and/or lacrosse championships.

The ACC men's and women's soccer championships will be held at the SAS Soccer Park in Cary, North Carolina for the third consecutive year in 2006. M&T Bank Stadium in Baltimore hosted the men's and women's lacrosse championships in 2005 and will host them again in 2006. ACC representatives indicated that both championships will be up for bid for future years. While a stadium capacity of 10,000 may be adequate to host these events, ACC officials prefer a facility with a capacity of at least 12,000. In addition to capacity, the Conference considers several additional factors when considering bids to host championship events, including:

- Spectator parking;
- Quality of playing surface;
- Ticket booths, concessions areas, restrooms and other such fan accommodations;
- Areas for press, coaches, officials, medical personnel and other staff;
- Two to four quality locker rooms;
- Videoboard, scoreboard and public address system;
- Hospitality areas;
- Adequate lighting for televised events; and,
- Other such amenities.

In addition to conference tournaments, NCAA championships could represent opportunities to draw major events to a new or renovated stadium in Roanoke. It is assumed that the stadium would be capable of hosting football, soccer and lacrosse events. The following is a summary of the current circumstances surrounding NCAA championships in these events.

Football

The NCAA currently does not conduct a championship tournament or game at the Division I-A level. Postseason games consist of bowl games held at a number of markets throughout the country. Based on the current markets and facilities hosting bowl games, it is unlikely that a stadium with a capacity of 18,000 or less in Roanoke would be capable of hosting a Division I-A bowl game.

Football championship games are played at the NCAA Division I-AA, Division II and Division III levels. The Division I-AA championship game is currently held at the 20,000-seat Carter Stadium in Chattanooga, Tennessee, where it has been played since 1997 and is contracted to remain through 2007. The Division II championship has been held at the 14,215-seat Braly Municipal Stadium in Florence, Alabama each year since 1986 and is contracted to continue to be held in Florence through 2009. The Division III game is played at the 7,136-seat Salem Stadium in Salem, Virginia. The 2005 championship will be the 13th straight played in Salem.

While the Division I-AA, II and III football championships are currently held at the same sites each year, the NCAA periodically allows other markets to present bids to host the event in future years. In order to attract an NCAA football championship event to a new or renovated stadium in Roanoke, a bid would need to be prepared in order to induce the NCAA to relocate one of the games from its existing market. The NCAA allows only schools and conferences to submit bids for championship events. Therefore, the City would need to partner with an area school or conference to prepare a bid to submit to the site selection committee for a particular event.

According to NCAA guidelines, a 15,000-seat stadium would be sufficient to host the Division I-AA football championship game, while a stadium with a capacity of at least 8,000 seats would likely be required to attract the Division II or III championship game.

In addition to stadium capacity, other key characteristics considered by the championship site selection committee include geographic location, attendance potential, historical support for college football in the region, adequate hotel rooms, convenient practice facilities and the support of the local community.

Soccer

The NCAA selects separate sites for its Division I men's and women's soccer championships, while the men's and women's championship events are held at shared sites at the Division II and III levels. Each championship event consists of the semi-final and final rounds at a predetermined site. In recent years, soccer championship events have been held only at soccer-exclusive stadiums. The NCAA avoids playing events at shared football/soccer facilities, as field conditions are often less than optimal at shared facilities. In order to attract a soccer championship event, the stadium would likely need to feature an artificial playing surface, or the City would likely need to guarantee that no football games would be held on the field for a specified period of time prior to the championship, potentially three weeks or longer.

The Division I men's and women's championships require minimum seating capacities of 8,000 to 10,000. NCAA representatives indicated that a 5,000-seat stadium would be adequate to host Division II or III championships. Additional stadium requirements include four locker rooms, adequate accommodations for television broadcasting and other media, enclosed rooms for media interviews and press conferences and adequate lighting.

Lacrosse

The NCAA has historically combined its Division I, II and III men's lacrosse championships into a single weekend-long event, and plans to continue to do so in future years. These events are currently held exclusively at large NFL stadiums in major markets, and are unlikely to be held at a smaller stadium in a market such as Roanoke.

The three divisions of women's lacrosse championships are each held at separate locations, and are rotated to difference locations each year. In 2006, the Division I championship will be held at the 10,400-seat Nickerson Stadium in Boston, the Division II championship will be played at the 3,000-seat stadium at the Benedictine University Sports Complex in Lisle, Illinois, and the Division III championship will be held at the 1,000-seat DeBaun Field in Hoboken, New Jersey.

It is likely that a 5,000-seat stadium would be adequate to host Division II or III championship games, while a 10,000-seat facility may be required to attract the Division I game. As with the other sports discussed herein, the ability of a new or renovated stadium in Roanoke to host a women's lacrosse championship would depend on the City's ability to partner with a regional university or conference to prepare a bid to hold the event in Roanoke.

For purposes of this analysis, it is assumed that the Western Virginia Education Classic would continue to be held at a new or renovated Victory Stadium. It is assumed that additional collegiate sports utilization would be limited. If the City is aggressive in providing guarantees to regional universities to play home games at the stadium, or in developing additional special events similar to the Western Virginia Education Classic, the number of collegiate athletic events held at the stadium could increase. In addition, while the stadium could potentially host ACC and/or NCAA championship events in various sports, Roanoke would need to develop a competitive bid package to attract such events. For purposes of this analysis, it is assumed that a new or renovated stadium could attract one additional collegiate sporting event per year on an ongoing basis. While the City may be able to attract a conference or NCAA championship event, due to the uncertainty of the bid process and lack of recurrence, such events have not been included in the event estimates presented herein.

Summary of Collegiate Sports Assumptions					
	Victory Stadium 2004 Events	**18,000 Seats**	**15,000 Seats**	**10,000 Seats**	**5,000 Seats**
Annual Events	1	2	2	2	2
Attendance:					
Average	8,000	15,000	12,000	8,000	5,000
Annual	8,000	30,000	24,000	16,000	10,000
Note: Estimates exclude potential NCAA and regional conference postseason/championship games.					

Other Sports

In addition to the high school and collegiate sporting events discussed above, a new or renovated stadium could potentially attract other amateur, semi-professional or even professional sports events. Such events could include amateur youth soccer or lacrosse tournaments as well as semi-professional or professional soccer, football or lacrosse leagues and teams.

Based on discussions with amateur athletic event organizers, the primary deciding factor for selecting a particular market for tournaments is the availability of an adequate number of fields to accommodate a potentially large tournament field. Ideally, these fields will be centrally located with easy access to hotels and other support services. While a stadium located amongst a large number of fields may offer an attractive venue for tournament finals, most potential amateur sports event organizers indicated that a stadium is not needed. Therefore, no usage from such evens has been assumed for the new or renovated stadium at this point.

In addition to amateur sports events, there are several semi-professional or professional football, lacrosse and soccer organizations that could potentially utilize the stadium for a tenant franchise. While such usage may be beneficial to the facility in terms of utilization as a community asset, the financial impact on the stadium's operations from such events may actually result in additional operating losses. For purposes of this analysis, no semi-professional or professional sports tenant has been assumed for the new or renovated stadium.

Concerts

Concerts could represent an additional source of utilization for a renovated Victory Stadium or a new stadium in Roanoke. Because football stadiums are not typically designed with a focus on concerts, they often offer relatively poor configurations and acoustics for concerts. In addition, the costs associated with stadium concerts are typically high due to the need to construct a stage from the ground up. However, design features such as a permanent concert stage or other such amenities could facilitate the production of concerts in the facility and make it a more attractive venue for concert promoters.

Victory Stadium last hosted a concert in 2004, when two concerts were held at the venue. Based on conversations with local concert promoters, concert industry trends and other such information, it is estimated that a new or renovated stadium in Roanoke could potentially host approximately three concerts annually. For purposes of this analysis, average concert attendance is estimated to range from approximately 3,500 to 10,000 per performance depending on the capacity of the stadium.

Summary of Concert Assumptions					
	Victory Stadium 2004 Events	18,000 Seats	15,000 Seats	10,000 Seats	5,000 Seats
Annual Events	2	3	3	3	3
Attendance:					
Average	5,000	10,000	7,500	5,000	3.500
Annual	10,000	30,000	22,500	15,000	10,500

Other Events

In addition to athletic events and concerts, Victory Stadium has occasionally hosted other events such as festivals and community events. Based on historical Stadium event levels, it is assumed that a new or renovated stadium in Roanoke could host approximately 15 miscellaneous events on an annual basis, with attendance approximating 500 per event. These could include a variety of festivals, flea markets, auto shows or other similar events.

Summary of Other Event Assumptions					
	Victory Stadium 2004 Events	18,000 Seats	15,000 Seats	10,000 Seats	5,000 Seats
Annual Events	11	15	15	15	15
Attendance:					
Average	500	500	500	500	500
Annual	5,500	7,500	7,500	7,500	7,500

Summary

Based on the market analysis performed in this section, estimates of event activity for a new or renovated stadium in Roanoke have been developed. The following exhibit presents estimated event levels at the proposed stadium for each potential development option.

Estimated Ticketed Events and Attendance New or Renovated Victory Stadium				
Event Type	**18,000 Seats**	**15,000 Seats**	**10,000 Seats**	**5,000 Seats**
Annual Events				
High School Football	10	10	10	10
High School Soccer	30	30	30	30
High School Postseason	2	2	2	2
College Sports	2	2	2	2
Concerts	3	3	3	3
Other Events	15	15	15	15
Total Annual Events	62	62	62	62

Average Attendance				
High School Football	2,000	2,000	2,000	2,000
High School Soccer	300	300	300	300
High School Postseason	2,500	2,500	2,500	2,500
College Sports	15,000	15,000	15,000	15,000
Concerts	10,000	7,500	5,000	3,500
Other Events	500	500	500	500
Annual Attendance				
High School Football	20,000	20,000	20,000	20,000
High School Soccer	9,000	9,000	9,000	9,000
High School Postseason	5,000	5,000	5,000	5,000
College Sports	30,000	22,500	15,000	10,000
Concerts	30,000	22,500	15,000	10,500
Other Events	7,500	7,500	7,500	7,500
Total Annual Events	**101,500**	**88,000**	**72,500**	**62,000**

As shown, it is estimated that event levels are not likely to vary significantly based on variations in stadium capacity due to the relatively low number of events that would require a larger stadium. Specifically, it is estimated that the stadium could host approximately 62 events per year regardless of stadium capacity. Attendance at these events is estimated to range from 62,000 per year at a 5,000 seat stadium to 101,500 per year for a stadium with 18,000 seats.

Based on this analysis, it appears that a stadium with a capacity of 5,000 seats would be sufficient to capture the majority of events that would potentially be held at the stadium. However, building a stadium with only 5,000 seats would likely preclude the facility from consideration for larger events such as VHSL football championships, ACC or NCAA tournament or championships events and other major events. Based on this analysis, it appears that a stadium with a capacity of approximately 10,000 seats would likely be sufficient to enable the City to offer an appropriate facility for these events. A larger stadium may not necessarily place the City in a significantly better position to be able to compete for these events. Assuming a 10,000-seat stadium would have the ability to add temporary seating as demand dictated, this capacity appears to be adequate to accommodate the vast majority of the potential users of the facility.

In order to determine the most appropriate capacity, the City should undertake a detailed cost-benefit analysis that will address not only the incremental revenues that could be generated by the stadium with these additional events, but also the added revenues

that could be generated throughout the community due to visitor spending related to these events. These impacts should be compared to the incremental cost to construct and operate a larger new or renovated stadium to determine the most cost effective stadium size.

4.0 Preliminary Financial Analysis

The intent of this section is to provide a preliminary estimate of the potential operating results of a new or renovated stadium in. Because facility design, configuration and cost estimates for the proposed stadium renovation or development have not yet been completed, the assumptions used in this analysis are based on the results of the market analysis, industry trends, knowledge of the marketplace and financial results from comparable stadiums. Using this information, an evaluation of the potential operating results has been developed under the range of event and attendance levels as discussed in the previous section.

This presentation is designed to assist in estimating the financial operations of the proposed stadium development options being considered. Therefore, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive, but are those deemed significant to the operations of the facility. However, there will be differences between estimated and actual results, due to the fact that events and circumstances frequently do not occur as expected, and these differences may be material. As is the case in all studies of this type, the estimated results are based on competent and efficient facility management and assume that no significant changes in the various event markets will occur beyond those set forth in this report. The remainder of this section presents the financial and economic impact analyses under the following components:

- Operating Revenues,
- Operating Expenses, and
- Estimated Financial Results.

Operating Revenues

A new or renovated stadium will likely derive revenues through rental revenue, concessions sales, merchandise sales, parking fees, advertising and other such revenue streams. This section summarizes the estimates for each potential revenue source, identifying revenues that could be derived from stadium events. The estimates presented herein relate to the event and attendance assumptions developed in the previous section.

Rental Revenue

Rental revenues often make up a significant portion of a facility's operating cash flows. Typically, stadium rental rates consist of a flat rental fee. For certain ticketed events such as concerts, a percentage of gate receipts generated by the event may be collected rather than applying a flat fee. For purposes of this analysis, it is assumed that organizers of all events other than concerts would pay a flat rental fee, and would retain all ticket revenue from their respective events. It is assumed that concert promoters would be assessed a rental fee equal to the greater of a flat rate, depending on stadium capacity, or 10 per cent of gross gate receipts. The rental rates assumed in the estimates are based largely on rates charged at comparable stadiums. The following exhibit summarizes the assumptions used to estimate the annual rental revenue from all events held at the stadium under each development scenario.

Estimated Stadium Rental Revenue

18,000 Seats						
Event Type	Annual Events	Average Attendance	Average Ticket Price	Rental Rate Flat Fee	Rental Rate % of Gate	Annual Rental Revenue
HS Football	10	2,000	$ 5.00	$ 500.00	n/a	$ 5,000.00
HS Soccer	30	300	$ 5.00	$ 250.00	n/a	$ 7,500.00
Postseason HS	2	2,500	$ 8.00	$1,000.00	n/a	$ 2,000.00
College Sports	2	15,000	$20.00	$2,000.00	n/a	$ 4,000.00
Concerts	3	10,000	$30.00	$5,000.00	10%	$90,000.00
Other Events	15	500	$ 8.00	$1,000.00	n/a	$15,000.00
Annual Totals						**$123,500.00**

15,000 Seats						
Event Type	Annual Events	Average Attendance	Average Ticket Price	Rental Rate Flat Fee	Rental Rate % of Gate	Annual Rental Revenue
HS Football	10	2,000	$ 5.00	$ 500.00	n/a	$ 5,000.00
HS Soccer	30	300	$ 5.00	$ 250.00	n/a	$ 7,500.00
Postseason HS	2	2,500	$ 8.00	$1,000.00	n/a	$ 2,000.00
College Sports	2	12,000	$15.00	$1,900.00	n/a	$ 3,800.00
Concerts	3	7,500	$30.00	$4,500.00	10%	$67,500.00
Other Events	15	500	$ 7.00	$1,000.00	n/a	$15,000.00
Annual Totals						**$100,800.00**

10,000 Seats						
Event Type	Annual Events	Average Attendance	Average Ticket Price	Rental Rate Flat Fee	Rental Rate % of Gate	Annual Rental Revenue
HS Football	10	2,000	$ 5.00	$ 500.00	n/a	$ 5,000.00
HS Soccer	30	300	$ 5.00	$ 250.00	n/a	$ 7,500.00
Postseason HS	2	2,500	$ 8.00	$1,000.00	n/a	$ 2,000.00
College Sports	2	8,000	$10.00	$1,700.00	n/a	$ 3,400.00
Concerts	3	5,000	$30.00	$4,000.00	10%	$45,000.00
Other Events	15	500	$ 6.00	$1,000.00	n/a	$15,000.00
Annual Totals						**$77,900.00**

5,000 Seats						
Event Type	Annual Events	Average Attendance	Average Ticket Price	Rental Rate Flat Fee	Rental Rate % of Gate	Annual Rental Revenue
HS Football	10	2,000	$ 5.00	$ 500.00	n/a	$ 5,000.00
HS Soccer	30	300	$ 5.00	$ 250.00	n/a	$ 7,500.00
Postseason HS	2	2,500	$ 8.00	$1,000.00	n/a	$ 2,000.00
College Sports	2	5,000	$10.00	$1,500.00	n/a	$ 3,000.00
Concerts	3	3,500	$30.00	$3,500.00	10%	$31,500.00
Other Events	15	500	$ 5.00	$1,000.00	n/a	$15,000.00
Annual Totals						**$64,000.00**

As shown, rental revenue is estimated to range from approximately $124,000.00 per year at an 18,000-seat renovated Victory Stadium to approximately $64,000.00 per year assuming a new 5,000-seat stadium.

Concessions

Concessions revenue consists of sales of various food and beverage items at concession stands throughout the stadium. Revenue assumptions are based on estimated event and attendance levels, concession spending at comparable facilities and industry trends.

Based on industry trends, the profit margin on concessions generally approximates 40 per cent of gross sales, with remaining percentage being allocated to the vendor to cover the cost of labor and merchandise. The profit generated by concessions and catering is often shared between stadium management and event organizers. The percentage of concession profits allocated to event organizers can often be a key negotiating point when developing rental agreements suitable for both the stadium and the tenant or organizer.

For purposes of this analysis, it is assumed that the stadium would retain an average of 50 per cent of profits from the sales of concessions, with the remaining 50 per cent allocated to the event organizer. The following table summarizes the assumptions used to estimate annual concessions revenues resulting from each stadium development option.

Estimated Food & Beverage Revenue

18,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	20,000	$ 3.00	$ 60,500.00	20%	$ 12,000.00
High School Soccer	9,000	$ 3.00	$ 27,250.00	20%	$ 5,400.00
Postseason HS	5,000	$ 3.00	$ 15,000.00	20%	$ 3,000.00
College Sports	30,000	$ 3.00	$ 90,000.00	20%	$ 18,000.00
Concerts	30,000	$ 6.00	$180,000.00	20%	$ 36,000.00
Other Events	7,500	$ 2.00	$ 15,000.00	20%	$ 3,000.00
Totals	**101,500**		**$387,000.00**		**$ 77,400.00**

15,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	20,000	$ 3.00	$ 60,000.00	20%	$ 12,000.00
High School Soccer	9,000	$ 3.00	$ 27,000.00	20%	$ 5,400.00
Postseason HS	5,000	$ 3.00	$ 15,000.00	20%	$ 3,000.00
College Sports	24,000	$ 3.00	$ 72,000.00	20%	$ 14,400.00
Concerts	22,500	$ 6.00	$135,000.00	20%	$ 27,000.00
Other Events	7,500	$ 2.00	$ 15,000.00	20%	$ 3,000.00
Totals	**88,000**		**$324,000.00**		**$64,800.00**

10,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	20,000	$ 3.00	$ 60,000.00	20%	$ 12,000.00
High School Soccer	9,000	$ 3.00	$ 27,000.00	20%	$ 5,400.00
Postseason HS	5,000	$ 3.00	$ 15,000.00	20%	$ 3,000.00
College Sports	16,000	$ 3.00	$ 48,000.00	20%	$ 9,600.00
Concerts	15,000	$ 6.00	$ 90,000.00	20%	$ 18,000.00
Other Events	7,500	$ 2.00	$ 15,000.00	20%	$ 3,000.00
Totals	**72,500**		**$255,000.00**		**$ 51,000.00**

5,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	20,000	$ 3.00	$ 60,000.00	20%	$ 12,000.00
High School Soccer	9,000	$ 3.00	$ 27,000.00	20%	$ 5,400.00
Postseason HS	5,000	$ 3.00	$ 15,000.00	20%	$ 3,000.00
College Sports	10,000	$ 3.00	$ 30,000.00	20%	$ 6,000.00
Concerts	10,500	$ 6.00	$ 63,000.00	20%	$ 12,600.00
Other Events	7,500	$ 2.00	$ 15,000.00	20%	$ 3,000.00
Totals	**62,000**		**$210,000.00**		**$42,000.00**

Concessions revenue is estimated to range from a high of approximately $77,000.00 at an 18,000-seat stadium to a low of $42,000.00 assuming a 5,000-seat facility.

Merchandise Sales

Merchandise sales consist of clothing, souvenirs, programs and other miscellaneous items sold during events at the stadium. It is assumed that the facility users would be responsible for merchandise sales and would retain the majority of revenues generated. However, for concerts and other potential outside events, it is assumed that a new or renovated stadium may be able to negotiate a revenue sharing agreement. For purposes of this analysis, it is estimated that net revenues from merchandise sales could range from $5,000.00 in an 18,000-seat stadium to $2,000.00 in a 5,000-seat facility.

Parking Revenue

There are currently approximately 700 parking spaces on the Victory Stadium grounds. Because each development scenario assumes that a new or renovated stadium would exist on the site of the current Stadium it is assumed that the same number of spaces would continue to be available. Based on an estimated 90 per cent of event attendees driving to attend the event with an average of 3.5 persons per car and an 80 per cent profit margin, the following table summarizes the parking revenue that could be generated by events at a new or renovated stadium. It is important to note that these revenues reflect the utilization of only the 700 spaces located on the Victory Stadium grounds. For events requiring additional parking, it is assumed that patrons would park off-site and that any revenues generated there from would be allocated to other entities.

Estimated Parking Revenue

18,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	514	$ 2.00	$10,286.00	80%	$ 8,229.00
High School Soccer	77	$ 2.00	$ 4,629.00	80%	$ 3,703.00
Postseason HS	643	$ 2.00	$ 2,571.00	80%	$ 2,057.00
College Sports	3,857	$ 2.00	$ 2,800.00	80%	$ 2,240.00
Concerts	2,571	$ 2.00	$ 4,200.00	80%	$ 3,360.00
Other Events	129	$ 2.00	$ 3,857.00	80%	$ 3,086.00
Totals			**$28,343.00**		**$ 22,674.00**

15,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	514	$ 2.00	$ 10,000.00	80%	$ 8,229.00
High School Soccer	77	$ 2.00	$ 4,629.00	80%	$ 3,703.00
Postseason HS	643	$ 2.00	$ 2,571.00	80%	$ 2,057.00
College Sports	2,057	$ 2.00	$ 2,800.00	80%	$ 2,240.00
Concerts	1,286	$ 2.00	$ 4,200.00	80%	$ 3,360.00
Other Events	129	$ 2.00	$ 3,857.00	80%	$ 3,086.00
Totals			**$28,343.00**		**$22,674.00**

10,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	514	$ 2.00	$ 10,286.00	80%	$ 12,000.00
High School Soccer	77	$ 2.00	$ 4,629.00	80%	$ 5,400.00
Postseason HS	643	$ 2.00	$ 2,571.00	80%	$ 3,000.00
College Sports	1,286	$ 2.00	$ 2,800.00	80%	$ 9,600.00
Concerts	900	$ 2.00	$ 4,200.00	80%	$ 18,000.00
Other Events	129	$ 2.00	$ 3,857.00	80%	$ 3,000.00
Totals			**$28,343.00**		**$ 22,674.00**

5,000 Seats					
Event Type	Annual Attendance	Per Capita Spending	Gross Revenue	Stadium Share of Gross	Net Revenue
High School Football	514	$ 2.00	$ 10,286.00	80%	$ 8,229.00
High School Soccer	77	$ 2.00	$ 4,629.00	80%	$ 3,703.00
Postseason HS	643	$ 2.00	$ 2,571.00	80%	$ 2,057.00
College Sports	1,286	$ 2.00	$ 2,800.00	80%	$ 2,240.00
Concerts	900	$ 2.00	$ 4,200.00	80%	$ 3,360.00
Other Events	129	$ 2.00	$ 3,857.00	80%	$ 3,086.00
Totals			**$28,343.00**		**$22,674.00**

As shown in the table, parking revenue is estimated to total approximately $23,000.00 per year regardless of stadium capacity. Because parking revenue is limited by the number of parking spaces available at the stadium, it is not estimated to fluctuate based on stadium capacity.

Advertising

Advertising at stadiums is typically generated from two sources: electronic displays and panel displays. Electronic displays are often located on scoreboards, outdoor marquees and interior fascia, and typically flash advertisements for a specified period of time. Panel displays can be found attached to scoreboards, outdoor marquees, concourses, interior fascia or a number of other locations within a stadium. Victory Stadium does not currently generate any advertising revenue. However, the physical design of a new or renovated stadium could provide additional opportunities for advertising signage and displays. Further, a new or refurbished facility could attract new advertisers who want to be associated with the improved stadium.

Ultimately, the revenue the stadium is able to generate for advertising will rely on factors such as the total estimated number of events and total attendance at the stadium, the number of televised events at the stadium, and the extent to which the City chooses to maximize advertising opportunities. The following table summarizes estimated annual advertising revenues for each stadium development scenario, based on factors such as advertising at comparable stadiums and the size and corporate inventory of the Roanoke market.

Estimated Advertising Revenue			
18,000 Seats	15,000 Seats	10,000 Seats	5,000 Seats
$ 50,000	$ 45,500	$35,000	$25,000

Operating Expenses

The following estimates represent the potential operating expenses at a new or renovated stadium in Roanoke, and are based on an analysis of operating expenses at comparable facilities. The assumptions made in this section are based on industry averages and results at comparable facilities.

Estimated Stadium Operating Expenses					
Expense Type	Historical Victory Stadium (1)	Renovated Stadium 18,000 Seats	New Stadium 15,000 Seats	New Stadium 10,000 Seats	New Stadium 5,000 Seats
Salaries, Wages & Benefits	$ 116,000.00	$ 130,000.00	$ 122,000.00	$ 110,000	$ 99,000.00
Utilities	$ 39,000.00	$ 50,000.00	$ 47,000.00	$ 42,000	$ 38,000.00
Repairs & Maintenance	$ 6,000.00	$ 35,000.00	$ 33,000.00	$ 30,000	$ 27,000.00
Materials and Supplies	$ 8,000.00	$ 20,000.00	$ 19,000.00	$ 17,000	$ 15,000.00
Professional Services	$ 33,000.00	$ 20,000.00	$ 19,000.00	$ 17,000	$ 15,000.00
Other	$ 30,000.00	$ 35,000.00	$ 32,000.00	$ 27,000	$ 23,000.00
Totals	**$232,000.00**	**$290,000.00**	**$272,000.00**	**$243,000**	**$217,000.00**

(1) Represents average annual operating expenses over the past four fiscal years, inflated to 2005 dollars.

Note: Expenses in the table exclude any annual capital reserve fund contributions, the amount of which may vary depending on total renovation/construction project costs.

As shown in the table, stadium operating expenses are estimated to range from approximately $217,000.00 for a 5,000-seat stadium to $290,000.00 per year assuming a stadium with a capacity of 18,000 seats. Salaries, wages and benefits are assumed to comprise the largest share of operating expenses, as is currently the case at Victory Stadium.

It should be noted that the expense estimates presented herein do not include debt service associated with the cost of the potential construction or renovation project. Further, no contribution to a capital reserve fund has been included in the expense estimates. Typically, facility owners and/or managers make annual contributions to a capital reserve fund, often in an amount equal to 0.5 per cent to 1.0 per cent of total project development costs. The amount of annual capital fund contributions made for a new or renovated stadium will likely depend on the cost of renovating or constructing the stadium.

Estimated Financial Results

The total revenues and expenses estimated in this section are summarized in the following exhibit.

New/Renovated Victory Stadium
Estimated Revenues and Expenses

	Current Stadium (1)	18,000 Seats	15,000 Seats	10,000 Seats	5,000 Seats
Rent		$ 124,000.00	$ 101,000.00	$ 78,000.00	$ 64,000.00
Food and Beverage		$ 77,000.00	$ 65,000.00	$ 51,000.00	$ 42,000.00
Parking		$ 23,000.00	$ 23,000.00	$ 23,000.00	$ 23,000.00
Novelties		$ 5,000.00	$ 4,000.00	$ 3,000.00	$ 2,000.00
Advertising/Sponsorships		$ 50,000.00	$ 45,000.00	$ 35,000.00	$ 25,000.00
Total Revenues	**$ 28,000.00**	**$279,000.00**	**$238,000.00**	**$190,000.00**	**$156,000.00**
Salaries, Wages & Benefits	$ 116,000.00	$ 130,000.00	$ 122,000.00	$ 110,000.00	$ 99,000.00
Utilities	$ 39,000.00	$ 50,000.00	$ 47,000.00	$ 42,000.00	$ 38,000.00
Repairs and Maintenance	$ 6,000.00	$ 35,000.00	$ 33,000.00	$ 30,000.00	$ 27,000.00
Materials and Supplies	$ 8,000.00	$ 20,000.00	$ 19,000.00	$ 17,000.00	$ 15,000.00
Professional Services	$ 33,000.00	$ 20,000.00	$ 19,000.00	$ 17,000.00	$ 15,000.00
Other	$ 30,000.00	$ 35,000.00	$ 32,000.00	$ 27,000.00	$ 23,000.00
Total Expenses	**$232,000.00**	**$290,000.00**	**$272,000.00**	**$243,000.00**	**$217,000.00**

Net Operating Income/(Loss)	**($204,000.00)**	**($11,000.00)**	**($34,000.00)**	**($53,000.00)**	**($61,000.00)**
Capital Reserve	n/a	(2)	(2)	(2)	(2)
Net Operating Income/(Loss) After Capital Reserve	**($204,000.00)**	**($11,000.00)**	**($34,000.00)**	**($53,000.00)**	**($61,000.00)**

(1) Represents the average annual financial performance of Victory Stadium over the past four fiscal years, stated in 2005 dollars.

(2) The amount of annual capital reserve contributions will likely depend on the total project cost, which has yet to be determined.

As shown in the exhibit, it is estimated that operations of a new or renovated stadium could result in net operating losses ranging from $11,000.00 for an 18,000-seat stadium to $61,000.00 for a 5,000-seat stadium. In comparison, Victory Stadium has sustained an average operating loss of approximately $204,000.00 annually over the past four fiscal years. It should be noted that the estimates presented above do not include annual debt service payments to cover the cost of a renovation or construction project. The construction of a larger stadium is likely to result in higher annual debt service payments in comparison to the development of a smaller facility.

In summary, Mr. Parker stated that CSL International began with an analysis of comparable facilities, which were municipal stadiums that host a variety of high school football, soccer, and college football around the country to understand the dynamics of the financials, the types of events, and how events were marketed, etc. He further stated that their analysis involved a broad range of event utilizations ranging from about 25 event days similar to Lyons Stadium in Texas, up to 300 event days in Bellingham, Washington. He added that the bulk of the analysis was geared toward market demand in Roanoke, the historic utilization of Victory Stadium, and comparable facilities at those levels; a considerable amount of time was spent interviewing potential users, high schools, colleges, football conferences, the NCAA, as well as concert promoters and other event promoters to understand the type of facility where there is a demand. He made the following points:

- Currently, high school football is the primary user of Victory Stadium averaging approximately 1,000 - 1,500 seats per game.

- Roanoke's two high schools indicated a preference to have facilities constructed on their campuses and discontinue the use of Victory Stadium. For the CSL International analysis, it was assumed that the high schools would continue to play regular season games at Victory Stadium; averaging about five games a year per team, or about ten total regular season games per year.

- With a new stadium and a better experience for fans, it is hoped that attendance will increase from approximately 1,000 - 1,500 up to about 2,000 persons per game.

- Victory Stadium currently hosts a few soccer games per year and one or two lacrosse games a year, with low attendance levels, but with a new facility and the installation of artificial turf, Victory Stadium could be a prime facility for soccer and lacrosse.

- Championship games for high school football, soccer and lacrosse require various stadium scenarios, post-season high school opportunities exist, currently the majority of post-season games are held at the higher seed's home, opportunities may exist at the final rounds for Roanoke Valley localities to submit a joint competitive bid, although there is no guarantee, even with a new stadium, that Roanoke would be successful in booking the events.

- College sports may also be an opportunity, inasmuch as Roanoke currently hosts the Western Virginia Education Classic; there is limited interest in bringing neutral site games to Roanoke; the decision is usually based on travel expenses and gate receipts, certain guarantees will be required in addition to covering event and travel expenses, and such opportunities are limited at this point.

- Championship games also involve dollars, minimizing travel expenses, bringing all the teams to one market, and having three teams travel instead of four creates an impact on the programs. The ACC is a strong conference in this region at the Division I athletics level, the ACC requires large stadiums, factors considered by the ACC in bringing events to markets include quality parking, a top notch playing surface, adequate ticket booths, concessions, restrooms, fan amenities, adequate press space, locker room space, quality locker rooms and officials space, a video board and scoreboard, hospitality areas, meeting space for pre-game and post-game functions for team boosters, and adequate lighting as events are televised.

- NCAA football championship events at Division IAA , Division II and Division III may also be an opportunity; Division IAA has been played at Carter Stadium in Chattanooga, Tennessee, for several years periodically, and comes up for competitive bid and Division II would be a prime opportunity for the Roanoke area. Braly Municipal Stadium in Florence, Alabama, has expended funds to upgrade its stadium; the Stagg Bowl, Division III, is currently played

at the ball field in Salem, and in order to attract any of the above referenced collegiate events, the City would have to partner with the local college, university or an athletic conference to qualify for bringing the events to Roanoke. Division IAA football championships require at least 15,000 seats, for Division II and Division III, 8,000 seats are preferred; other factors that are considered relate to geographic location of the market, where Division II teams are currently playing, how far the teams will have to travel, the attendance potential of the market, the availability of adequate lodging within the immediate area and outside of the area, as well as the availability of practice facilities for both teams.

- There are limited opportunities in terms of the NCAA soccer championships; the NCAA has played in soccer specific stadiums, and more soccer specific stadiums are under construction, however, the main issue concerns the quality of turf. When games are played in a football stadium, soccer players prefer a quality turf facility, and providing artificial turf may mitigate the situation; Division I championships request at least 8,000 - 10,000 seats ad Divisions II and III require at least 5,000 seats.

- The lacrosse championship is somewhat different at the Divisions I, II and III levels and are currently played in major NFL facilities, such as Lincoln Field in Philadelphia, Pennsylvania. Women's championships rotate and there may be an opportunity for the Roanoke Valley to submit a competitive bid.

- It is assumed that the Western Virginia Education Classic will continue to be held at Victory Stadium, one additional neutral site game could be brought to Roanoke; i.e.: an early or late season classic, or some other event that would guarantee revenue to the team and cover expenses. No championship events have been assumed because of the competitive bid situation; therefore, depending on capacities, Roanoke could bring two events to sell out with about 5,000 seats up to approximately 15,000 seats at the largest stadium capacity.

- Other sports opportunities exist, some of the venues that were studied host semi-professional football, and professional league soccer may be available; there may be opportunities to attract professional sports team, however, league economics require that all revenues generated go to the teams, so, in effect, revenue will not benefit the facility other than through added utilization. It would be necessary for the City to solicit a local ownership group to sponsor a team.

- Youth sports were considered such as regional tournaments, or AAU-type tournaments that generate visitors to the market. Initially, one might think that a new stadium would provide a prime opportunity to attract these types of events; however, the reality is that promoters do not care about new stadiums, or about having 5,000 seats or 10,000 seats, but instead they look for 20 or 30 fields in order to accommodate all events.

- CSL International interviewed concert promoters both locally and regionally. Victory Stadium has hosted some concerts in the past, such as the Dave Matthews Band which was successful, but required certain significant guarantees. In order to attract concerts, promoters require money and guarantees that they will be able to cover costs and generate as much revenue as possible.

- There is very little interest in stadium configuration. Football stadiums are somewhat unique and stadium seating is better situated for football games. The curved seating arrangement allows patrons to focus on the center field. With a new facility and new amenities, it was assumed that Roanoke would continue to host those events that have been held at Victory Stadium for the past several years, such as "Music for Americans" and other festival-related events. The City of Roanoke would do well if it hosts three of those types events per year, depending on the capacity and type of concert, ranging from 3,500 to 10,000 persons per event.

- In addition to festivals, Victory Stadium has acted as a home base for road races and other community events. The new stadium would afford an opportunity for other activities such as flea markets and car shows, using the stadium grounds to host the events

- It is estimated about 62 events per year could be held at Victory Stadium, ranging from 62,000 to 100,000 persons total. The Stadium could be operated as a business and as a part of an enterprise fund that would be actively marketed to attract new events.

- The financial analysis relies on the fact that Victory Stadium will be operated as a business and that the facility will control concessions; total revenues, historically, have been about $28,000.00, however, it may be possible to generate between $156,000.00 to $279,000.00 in total revenues. Total expenses could be about $217,000.00 on the low end, up to about $290,000.00. There is no estimate for a capital reserve account at this time since costs are not known; generally, an estimate of about

one-half to one per cent of project costs on an annual basis would be set aside in order to have available funds for operations. Overall, Victory Stadium has operated on about a $200,000.00 loss, but with active marketing and an active business approach, the City could reduce the deficit anywhere from $11,000.00 to $61,000.00. If concession revenues were given to local community groups and/or high schools, revenue would decrease significantly.

Mr. Parker advised that after all is said and done, the question in the minds of most people is, what size facility should be built. He stated that based on all of the information that was received, a 5,000-seat stadium will be the capacity that will accommodate approximately 90 per cent of the events that will utilize Victory Stadium; a 5,000-seat stadium may not allow the City of Roanoke to compete for certain other events; and temporary seats could be used to get the facility up to 7,000 or 8,000 seats, thus enabling the City to bid on certain championship events. He further stated that a 10,000-seat facility would position the market and provide the City with the ability to compete for other larger events; however, there is no guarantee that any of the events will come to Roanoke. He advised that whether or not the City of Roanoke should build a facility with added capacity and added cost, with no guarantee of attracting any of the above referenced events, is a decision that City Council will have to make. He noted that some events may not be recurring events; i.e.: they may occur one year and not again until five years later. He stated that the ability to add temporary capacity to either a 5,000 or a 10,000-seat facility would be a plus in attracting certain other events to the stadium.

In closing, Mr. Parker stated that the City of Roanoke has a unique situation with an existing stadium that has considerable capacity for other events.

Mr. Holleman reviewed a cost benefit analysis of incremental costs for other events that Victory Stadium may be able to attract, the amount of revenue that could be generated to the facility and to the community in terms of hotel rooms, tax revenue and other spending in the community.

Mr. Holleman advised that:

- Construction cost - Area square footage of space was multiplied by unit costs which provides the subcontractor's price for the sub-area of a particular unit; general conditions, overhead and profit for the contractor is added to that figure, and because there are numerous unanswered questions, a 15 per cent estimated contingency was included, providing a new subtotal, or bid price, that would be used in the marketplace for the bid. The figure does not represent the total project cost since other project costs, known as soft costs, will be added in

and will be different depending on whether the facility is a new or a renovated facility. There would be a construction contingency due to the potential of finding more things wrong in a renovation project than in a new construction project of five per cent for a renovation project and three per cent for a new project. Also involved are fees for architects and others, as well as direct costs for printing and travel expenses, in the range of ten per cent for a renovation project, and about eight per cent for a new project; and one per cent for the owner contingency. He called attention to the need to include a three per cent project contingency in the event of necessary additions and soft costs range between 19 and 23 per cent of the total bid price figure.

Mr. Holleman reviewed the following:

Purpose of the Victory Stadium Study Report prepared by Heery International, Inc.:

- Evaluate Existing Conditions
- Develop Five Options
- On Existing Site
- Comparative Analysis

Agenda:

- Flood Plain
- Existing Stadium Assessment
  - Loose Brick
  - Spalled Concrete Seats
  - Lacking Amenities
  - Poor Field and Track
  - Sound Structure on Deep Foundations
- Historic Tax Credit
  - Registered Historic Landmark
  - Preliminary indication from DHR is positive
  - 20% Federal and 25% State eligible
  - Everything within stadium footprint eligible
  - Soft cost associated with eligible cost are eligible
  - Net savings back to City estimated at 35%
  - Example:
    - If the eligible cost is $10,000,000.00, the proceeds to the City are $3,500,000.00

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- Five Options
  1. Existing Stadium - Historic Rehabilitation (with Historic Tax Credit)
  2. Existing Stadium - General Renovation (without Tax Credit)
  3. New 5,000 Seat Stadium
  4. New 10,000 Seat Stadium
  5. New 15,000 Seat Stadium

- Program
  - Basic Program
    - Bench Seating
    - Toilets and Concessions for 8,000
    - Press Box
    - Support Space - Locker Rooms (11/15k)
  - Option Program
    - New Field
    - Architectural Façade
    - Site Aesthetics
    - Raised Support Space
- Budget Methodology

Area x Unit Costs	$	
	Subtotal	
GC OHP	18%	
Estimating Contingency	15%	
Bid Price	Subtotal	
Soft Costs	**Renovated**	**New**
Construction Contingency	5%	3%
FF&E	3%	3%
Testing, Surveys, GEO	1%	1%
Owner Contingency	1%	1%
Project Contingency	3%	3%
Subtotal Soft Cost	23%	19%
Total Project Costs	Total $$	Total $$
*Escalation Mid-Construction December 2006		

Budget Comparison

	Option 1	Option 2	Option 3	Option 4	Option 5
Items	Renovate 18,000 Tax Credit	Renovate 18,000 No Tax Credit	New 5,000 Seats	New 10,000 Seats	New 15,000 Seats
Basic Stadium Costs	$17,010,349.00	$13,443,983.00	$12,812,995.00	$18,620,749.00	$20,614,083.00
Façade Upgrade	$0.00	$2,454,013.00	$1,737,804.00	$2,404,912.00	$3,221,585.00
Field Improvements	$1,073,975.00	$1,073,975.00	$1,073,975.00	$1,073,975.00	$1,073,975.00
Site Upgrades	$999,600.00	$999,600.00	$999,600.00	$999,600.00	$999,600.00
Raised Support Facilities	n/a	$1,612,997.00	709,049	709,049	709,049
Sound System	$175,000.00	$175,000.00	$175,000.00	$175,000.00	$175,000.00
Patron Connection	n/a	$500,000.00	n/a	n/a	n/a
Scoreboard	NIC	NIC	NIC	NIC	NIC
Total	**19,258,924**	**18,146,571**	**16,799,374**	**23,274,281**	**26,084,243**
Eligible Base Tax Credit At 35%	$16,360,432.00 $5,726,151.00			n/a	n/a

- **Operation and Maintenance Costs**

Estimated Stadium Operating Expenses					
Expense Type	Historical Victory Stadium (1)	Renovated Stadium 18,000 Seats	New Stadium 15,000 Seats	New Stadium 10,000 Seats	New Stadium 5,000 Seats
Salaries, Wages & Benefits	$ 116,000.00	$ 130,000.00	$ 122,000.00	$ 110,000.00	$ 99,000.00
Utilities	$ 39,000.00	$ 50,000.00	$ 47,000.00	$ 42,000.00	$ 38,000.00
Repairs & Maintenance	$ 6,000.00	$ 35,000.00	$ 33,000.00	$ 30,000.00	$ 27,000.00
Materials and Supplies	$ 8,000.00	$ 20,000.00	$ 19,000.00	$ 17,000.00	$ 15,000.00
Professional Services	$ 33,000.00	$ 20,000.00	$ 19,000.00	$ 17,000.00	$ 15,000.00
Other	$ 30,000.00	$ 35,000.00	$ 32,000.00	$ 27,000.00	$ 23,000.00
Totals	**$232,000.00**	**$290,000.00**	**$272,000.00**	**$243,000.00**	**$217,000.00**

(1) Represents average annual operating expenses over the past four fiscal years, inflated to 2005 dollars.

Note: Expenses in the table exclude any annual capital reserve fund contributions, the amount of which may vary depending on total renovation/construction project costs.

The City Manager advised that Mr. Garland was present to answer specific questions with regard to Historic Tax Credits.

Following a brief recess, Mayor Harris recognized the Members of Council for questions and comments.

Council Member Cutler asked the following questions:

Question: The Branch Highways contract with the U. S. Army Corps of Engineers to dig bench cuts along the Roanoke River just down stream is creating a considerable amount of fill material. Using available fill material for both the demolition of Victory Stadium and the construction of bench cuts as recommended by the U. S. Army Corps of Engineers along the Roanoke River, would it be practical or advantageous to elevate the new stadium site by the river with fill material before beginning construction.

Response: Mr. Holleman stated that he would address the question in general terms. It is possible to use fill material to raise the site in areas that are not critical to the structure of the stadium; the site currently has a lot of silt and the more weight that is placed on it, the more the structure tends to settle. In areas such as under the playing field, fill material could be used, as well as underneath sidewalk areas, landscaping, etc.

Question: Explain the premium that the City would pay to build a 5,000 seat stadium on or near the Victory Stadium site near the river, compared to an identical seating capacity stadium on an upland site, such as the campus at William Fleming High School.

Response: Mr. Holleman stated that without knowledge about the William Fleming site, his response would be based on assumptions and conditions. Based on a previous comparison, a high school stadium of 5,000 seats, with lighting and a comparable amount of support space for locker rooms, would cost approximately $7.8 - $7.9 million, including all soft costs. If locker rooms are not needed, $2.2 million could be deducted from the estimate.

Question: For years, the City has stored motorized equipment under the stands at Victory Stadium, and on several occasions the equipment has been damaged by flooding. Would that area be permanently closed, or how would the accumulation of flood water be avoided?

Response: Mr. Holleman stated that presently there is no plan to prevent flood water from coming in inasmuch as the water comes up through the drain pipes, etc.; new support facilities would be built above the ten-year floodplain level; lower space where equipment was previously stored would not be changed and would flood during heavy rainfall; and one solution would be to install a sump pump to pump out water as it comes in. If the site totally floods, it would be difficult to keep water out of the area.

Question: How do you account for the discrepancy between your vehicle parking capacity number for Victory Stadium compared to that used by Richard Rife, Architect, which was based on an estimate provided by the City's Parks and Recreation Department.

Response: Mr. Holleman stated that the consultant did not go into an analysis on the number of parking spaces, typically about 3.5 - 3.75 people are calculated per car for football games, so the number of parking spaces needed would be determined on capacity; patrons typically walk about ten minutes to a ball park and all the spaces in the area could also be calculated. An efficient parking lot in the space was allowed for which provided for about 525 cars, and the figure was derived by taking the capacity number and dividing it by 3.5. In addition, there are other lots around the area on which patrons could park and walk to the stadium.

Question: Based on your experience as a stadium consultant, what are your thoughts with regard to the traffic situation, street capacity and parking capacity around the site of Victory Stadium?

Response: Mr. Holleman responded that it was average at best; there are large stadiums situated in the middle of campuses with no surrounding parking, and patrons walk from 10-60 minutes to reach the stadium; and it depends on the level of convenience and how the City would want patrons to come to the stadium. If the desire is to encourage patrons to use the facility, it should be as convenient as possible. The area is somewhat congested, but considering the types of events that have been held at Victory Stadium, traffic would not be that unreasonable and shuttle buses could be used, if necessary.

<u>Council Member Dowe asked the following questions</u>:

Question: Would sound system upgrades be primarily for sporting events, would the same sound system have the capacity to be used for concerts, or would the City have to address other improvements?

Response: Mr. Holleman stated that other improvements would be necessary because the sound system basically works for specific seat locations, for PA announcements, for playing the National Anthem, and would not support a rock band concert which was not included in the numbers inasmuch as the consultant was not instructed to look at concerts. The consultant's report did not include how to provide power for large events that may come to the stadium, however, additional costs would be incurred to provide electric power, or it could be accomplished through a temporary generator.

Question: It was mentioned that very seldom are there events at Victory Stadium where attendance of 15,000 - 20,000 people was achieved. Is that based on the historical propensity of the markets to support attendance, or on some historical information of the sites and the types of markets?

Response: Mr. Parker stated that it was based on the estimated types of events that could be held at the stadium, estimates for attendance were based on similar events held elsewhere and the historical usage of Victory Stadium.

Question: How many of those sites had similar facilities within a ten-mile radius?

Response: Mr. Parker stated that he did not know specifically, but did not think there were many, other than another municipal high school football stadium; and the comparables that the consultant reviewed did not host those types of outside events.

Question: If the schools decide to build stadia, how would that affect the potential of 62 events per year at Victory Stadium?

Response: Mr. Parker stated that 30 soccer and lacrosse and ten football games were included in the study, therefore, the stadium would loose 40 events out of the 62.

Question: In essence, the City would have to hold 18 such events to make up for lost operating expenses. How many missed opportunities could the City allow before the facility starts to look like it does now?

Response: Mr. Parker stated that he could not answer how many activities could be missed, the consulting team tried to show that there is no guarantee that any of the events would come to Roanoke, the City would have to go through the competitive bid process, and he did not know how long the City would choose to sustain that type of loss with that type of facility.

Question: Has research shown that aesthetics of a facility does not matter as much as the market's propensity to support the facility?

Response: Mr. Parker advised that both aesthetics and market support are important and the propensity of support is based upon events, which is based on providing a quality facility; therefore, it is a kind of circular equation. Providing a top quality facility and top quality events are key to encouraging patrons to visit the facility.

Vice- Mayor Fitzpatrick asked the following questions:

Question: What is entailed in the Historic Tax Credit process in terms of benefits to the City and monetary value?

Response: Mr. Garland stated that his group considers itself to be experts in historic preservation and in identifying those properties that have the potential to qualify for tax credits; however, they are not attorneys and do not form corporations and entities that are necessary to carry this type of project forward. The Historic Tax Credit project is both a State and Federal program; State tax credits are 25% of eligible expenses and the Federal program is 20% of eligible expenses. A structure must qualify for the program, meaning that the building is over 50 years old, and if the structure is not in a historic district, it would have to be included on the Register for Historic Places. In the case of Victory Stadium, the City would have to apply for the stadium to be included on both the State and Federal Register for Historic Places. Consultants met in early October with State representatives that are responsible for determining whether a structure can be included on the registry, and State representatives agreed to take the Victory Stadium issue to the appropriate committee to obtain a preliminary ruling as to whether Victory Stadium could be placed on the Registry. They have since advised that it is thought that Victory Stadium could be included on the listing which is the first step to qualify for Historic Tax Credits. Once the stadium is placed on the Register of Historic Places, any architectural and/or engineering projects would have to be done in such a way that they would not take away from the historic architecture of the building. The City would have to maintain the existing façade, and there could be no construction of additions on the outside of the existing façade. The City should try to limit building outside the extremities of the stadium since tax credits only apply to the existing structure, which would include anything from outside wall to outside wall, including the field, but would not apply to site work costs outside extremities of the building. A "not-for-profit" group could take advantage of the tax

credit by forming a "for-profit" corporation, the "not-for-profit" corporation would become a general partner in the syndication, and after the tax credit portion of the project is taken advantage of, ownership would revert back to the "not-for-profit" group. Most of the expenses on the project would be eligible; the total of 45 per cent that could be obtained through Historic Tax Credits on a normal for-profit project is diminished somewhat on a municipal project, because associated administrative costs carry a not-for-profit forward to take advantage of the tax credits, which historically have been about 35 per cent instead of 45 per cent of eligible expenses. The $5 million figure comes from what can be recouped after construction, which can be subtracted from the total cost of the project.

Council Member Lea asked the following questions:

Question: If the City leans toward the larger stadium venue, would marketing be a critical piece?

Response: Mr. Parker responded in the affirmation and advised that the larger the facility, the more expenses will be incurred and more events will need to come through the facility. If the City looses the high school events, marketing will be critical.

Question: Are there certain persons or groups whose sole purpose is to market such facilities?

Response: Mr. Parker stated that he did not think it was all that common for a stadium with fields of this type, although there is a market primarily for baseball and football stadiums. There is a large community effort in the City of Salem to promote their facility and host between 20 - 30 events per year.

Question: When a locality talks about partnering with various conferences and/or college conferences, such as the National Collegiate Athletic Association (NCAA), the first question is, how many people will a venue accommodate; therefore, is marketing an important element?

Response: Mr. Parker stated that marketing is critical, and starts with a demonstration of support by the facility and the community. His firm has been involved with the NCAA on a variety of levels looking at second-tier championships, and because of the push to make the second-tier championships more major events, communities are becoming more and more aggressive in their marketing efforts.

Council Member McDaniel asked the following questions:

Question/Comment: The Roanoke River Flood Reduction Project when completed would only protect the City from the 30-year flood range.

Response: Mr. Holleman stated that the levy goes only to the 30-year flood level, but the consultant's scenario goes to the railroad tracks and areas where the water backflows onto the site; there is no full protection even on the 30-year level, flood water is still projected to come in up to the ten-year level; and regardless of what the City does at Victory Stadium, there will be flooding.

Question: Review briefly the different scenarios at a 30-year flood level if the stadium is left as is versus the new options?

Response: Mr. Holleman referred to a previous slide and stated that currently, patrons enter on the lower grade and go up the ramp into the stands, the level where a visitor walks up is about the ten-year floodplain level, and theoretically floods to the level every ten years; and the area below, where equipment was previously stored, floods more often because it is in the two-year flood area. The line denoted below the first level is the 100-year floodplain and is about where the vomitories are located in the front of the facility; the 30-year floodplain is about half way in between, so practically speaking, the 30-year floodplain level cannot be worked with because space cannot be fitted between the 30-year floodplain and the level above. The consulting team also looked at the upper level, and there is structure to build a third level, but there is a question with regard to seating and what would be included on the third level. It is too far from the field to place the locker rooms, and it would not be practical for concessions. The third level would be the practical level to build on because it would be above the 100-year floodplain.

Question: Talk about the new scenarios?

Response: Mr. Holleman stated that the main concourse would be built above the 100-year floodplain, removal of a few rows of seating resulted in the concourse being higher; and placement of the concourse would allow people to look down onto the field and give vertical space which could support facilities above the 100-year floodplain, with about 14 feet of space underneath. The goal was to try and keep the artificial turf out of the ten-year floodplain by raising the field level; the lifespan of artificial turf is about ten years; and there would be a problem with artificial turf as particles would tend to float in the event of a lot of water and the turf would have to be hosed off to remove accumulated silt.

Question: Would it be economical in the long run to add on to the facility piecemeal?

Response: Mr. Holleman stated that in the long term, costs would increase just as the cost of construction increases every year; ten years from now, it would cost about 25 per cent more, so it will never be cheaper than it is currently. It is practical to add on, just as larger stadiums started out small, and added on approximately every five years. This concept works from the 5,000-seat configuration, which is the way that many stadiums have expanded.

Question: What would be the approximate cost of additions?

Response: Mr. Holleman responded that he could work up costs using today's dollars, but it would not be an accurate projection of costs in ten years.

Council Member Wishneff made the following observation and asked the following questions:

Question: Two examples locally of projects that were accomplished using Historic Tax Credits are the Jefferson Center and Warehouse Row. They continue to be owned by the City pursuant to 40-year leases with entities operating the facilities separately from the City. The Higher Education Center, O. Winston Link Museum, Grandin Theater, Shenandoah Hotel, and Burrell Hospital were also accomplished through Historic Tax Credits. The Culinary School will also be constructed through Historic Tax Credits, therefore, it is a well tested process.

Question: Can you provide more details regarding structural issues, since there has been a considerable amount of discussion in the community regarding the safety and condition of Victory Stadium.

Response: Mr. Holleman stated that the structural frame of the stadium is in good condition, with no cracks or spalling in the frame; the underside of the grandstands look better than most grandstands of its age, grandstands are fairly thick in order to withstand abuse where the concrete is spalling which is a good basis for which to work, it appears that the building is not settling and only those things that are not attached to the frame are settling, such as the sidewalk on grade, restrooms that were built on grade, block walls that were built on spread footings and/or

those things attached to the brick where one thing has moved and the other has not, which is an expansion situation between two different types of frames. Rusting of brick ties is an issue which can be addressed by taking out all of the brick and reinstalling with new stainless steel ties, or a method to remove the brick in place which would be almost as expensive as tearing the brick off and re-bricking. Either way, funds to cover the cost would need to be included in the budget.

Question: Should building plans be oriented to fit general instructions by representatives of the State Historic Tax Credits program?

Response: Mr. Holleman advised that he met with State representatives to present preliminary alternatives, and suggestions were made on what should and should not be done which were conveyed to Heery International to incorporate in the report.

Question: If the levy were in place, would flood water flow over the levy?

Response: Mr. Holleman stated that it appears that flood water comes through the back side of Victory Stadium and would come in before the water goes over the levy side.

Council Member Wishneff stated that to assist the biomedical research park in the area, the City may want to address the levy issue outside of the Victory Stadium project. He advised that if the levy were never constructed, or if the flood reduction project was not completed, Victory Stadium would have a field that could be washed off, with only locker rooms that would be left in the floodplain that could be hosed off.

Mr. Holleman responded that if the levy was not built, it will take less than a ten-year flood to flood up to that same level; water would come in at the five-year level instead of the ten-year level, and there would be a more frequent situation where locker rooms would have to be hosed down, etc.

Mr. Parker stated that the City's Building Commissioner was emphatic that any alternative, whether it be renovation or new construction, must meet code standards relative to floodplains, and anything that would be destroyed by a flood would have to be elevated above the100-year floodplain by approximately two feet under any of the alternatives.

Question: Operating costs increase as the size of the stadium goes up and revenues go up. Under the consultant's projections, would it be less expensive to operate current Victory Stadium, rather than a 5,000 seat stadium, by approximately $50,000.00 a year?

Response: Mr. Parker responded in the affirmative, with the facility being reliant upon the two-three concerts that were included in the report which act as a revenue driver.

Council Member Wishneff stated that it is important for the public to understand that the larger version of Victory Stadium looses less money annually than any of the other options.

Mr. Parker replied in the affirmative, assuming that there are three 15,000-person attended concerts per year, with the revenue driver coming from the concessions and rent that would be generated. The ability to attract three 15,000-person attended concerts is difficult and would require a serious marketing effort.

Question: Review the cost for each Option 1 using Historic Tax Credits.

Response: Mr. Holleman stated that the total for each concept includes the brick façade, field improvements, site upgrades, a good sound system, and support facilities that are waterproofed just above the ten-year floodplain. The total cost for Option 1 is approximately $19.25 million, with $6.36 million available in eligible funds through a Historic Tax Credit, equaling approximately $13.5 million for Option 1 which includes 18,000 seats.

Question: Temporary restroom facilities were used for a recent concert in Charlottesville, Virginia. Are temporary restroom facilities typically provided for large events?

Response: Mr. Holleman replied that temporary restroom facilities are typical in areas where there is a lot of temporary seating or lawn seating, but code standards are specific and provide that the number of fixtures must be provided based on the number of permanent seats, no matter how many times the facilities are used. Option 2, which is the Victory Stadium renovation at 18,000 seats, with no tax credit, is about $18.14 million; Option 3, which is a new stadium of 5,000 seats is $16.8 million; Option 4 is a new 10,000 seat stadium, at a cost of $23.27 million; and Option 5 is a 15,000 seat stadium at a cost of about $26.08 million.

Council Member Cutler asked the following questions:

Question: The leadership of the Virginia National Guard plans to abandon the National Guard Armory within the next two years and move to a site "out of the floodplain"; hypothetically, if that building was not there, would the consultant have proposed to locate the building or the additional 5,000 seats of a 15,000 seat stadium on that end rather than on the river end of the stadium?

Response: Mr. Holleman stated that the issue would have to be revisited, although most likely it would not make that much difference relative to the floodplain. It is doubtful that the soil would be much different if the floor elevation of the building was high enough, it would involve flood proof construction, and would be less expensive to place some of the support space in the building instead of constructing a new structure.

Council Member Dowe asked the following questions:

Question: How many more floods would it take to deteriorate or at least leverage the solid foundation?

Response: Mr. Holleman stated that he did not think it was possible to say one way or another if further flooding would affect the foundation of the stadium to the point where it would start to settle, and the water table is very close underneath the building. Stadiums pose a continuous maintenance item inasmuch as they are neglected all over the country, because people build them, use them once a week, then forget about them with little or no maintenance. Stadiums require more maintenance than any other type building because they are open to the elements on all sides.

Question: Given flood considerations and the proximity of Victory Stadium to the Roanoke River, would it be feasible to consider a kind of river-front development that would be used in conjunction with a stadium, or a stadium site that could be used, regardless of whether the stadium was in operation?

Response: Mr. Holleman stated that he could not speak to the developability of the concept, other than to say that anything could be made to look good, and whether a business would want to come into a location that had the potential of flooding and whether that area of the City would promote that type of development is a big question. There would most likely be some spin-off businesses as a result of the bio-medical institute in the area.

Vice-Mayor Fitzpatrick asked the following questions:

Question: If the City decided to spend $13.5 million using the Historic Tax Credit option, would the City get another 60 years out of Victory Stadium before major investment is needed; or if the City elected to construct a new $16.8 million aluminum metal structure facility, with a façade around it, what would be the life of that type of facility?

Response: Mr. Holleman stated that projections could be made, however, it is a matter of maintenance as to how long the stadium will last; if existing concrete at Victory Stadium had been properly maintained over the years, spalling would not have occurred and the only money required to be spent would have been for maintenance; and that type of decking requires more maintenance and waterproofing than for an aluminum deck. The structure that holds up the aluminum deck, which is galvanized steel, also must be maintained, just like any structural system or it will start to rust and cause problems with the steel, but aluminum decking requires less maintenance than concrete decking.

Council Member Lea asked the following questions:

Question: Could the two high schools use Victory Stadium while the facility is undergoing construction or renovation?

Response: Mr. Holleman stated that either concept would work, although both would have some inconveniences. If a new stadium is constructed, one side of Victory Stadium would have to be torn down while constructing a new side, and all patrons would sit on the same side. Many stadiums have been constructed through the football season. Certain things can be done with the right amount of timing and planning, i.e.: recoating the seats and installing new seats, using both sides for seating while working on restrooms and concessions underneath, and utilizing temporary restroom facilities and concessions.

Council Member McDaniel asked the following question:

Question: Were other stadiums studied for marketing purposes or for location, and were there any comparables?

Response: Mr. Parker stated that the focus was on the types of events, how they were operated and by whom, most of which were school districts or cities.

Council Member Wishneff asked the following question:

Question: Victory Stadium is a facility with commercial roads surrounding it and the structure is visible from I-581. As opposed to constructing high school facilities in the neighborhoods, would it be an attractive location?

Response: Mr. Parker stated that it would depend upon ingress and egress and it was difficult to answer the question since he did not know what traffic is like around Victory Stadium when the facility is occupied by 6,000 - 7,000 people.

Council Member Dowe asked the following question:

Question: When the consultant looked at other stadiums across the country that have a high volume of usage, was there a way to determine the affect of attendance levels?

Response: Mr. Parker stated that the team did not specifically look at attendance levels, many facilities were operated by school districts which do not closely track attendance, and facilities are generally constructed to accommodate the primary attendance in terms of capacity. There is an impact if the facility has 15,000 seats and only 2,000 people in the stands, and 2,000 people in a 5,000 seat venue would still feel empty, therefore, it is important to generate a home-field advantage and to scale the facility accordingly.

Mayor Harris asked the following questions:

Question: Will the new option at 10,000 seats and 15,000 seats, as well as the two renovation options, price restrooms and concession points at a permanent seating level of 8,000 people?

Response: Mr. Holleman responded in the affirmative.

Question: With regard to renovation options, how did the consulting team get from 18,000 seats to an 8,000-seat toilet connection?

Response: Mr. Holleman stated that the figure came about as a result of previous stadium work, in that there were "X" amount of seats that were permanent and the number might have been 8,000, and everything above that for special events would be in temporary facilities; as the consulting team started to hear that the number would be over 2,000 - 3,000 people in the facility, to have

toilets for 18,000 people seemed like an extreme cost, the point being to include less and get permission to use temporary facilities in the event of a large festival that might require toilets for 15,000 people. The toilets downstairs would either be revamped as back-up toilet facilities, realizing that they are located in the floodplain, or some combination of both; and typically, by the plumbing code, a facility must have X many fixtures for X many people, with X number for women and X number for men; therefore, the City would need seek a variance, or an agreement from its Building Department.

Question: Would permanent seating be any type of seating; for example, if some part of the stadium had aluminum benches and some part had the concrete terracing, does the concrete terracing still count as permanent seating, or would benches be counted as permanent seating?

Response: Mr. Holleman stated that a determination would be made by the Building Commissioner.

Question: Under the renovation scenario, the first nine rows would be removed for wheelchair seating. Since most patrons will tend to gravitate to the first 12 rows because of the view, how would that affect the sight line from the first row to the field?

Response: Mr. Holleman stated that it would depend upon where the wheelchairs are parked as to whether they would pose an inconvenience, and as the structural seats are removed in the first bay by the column and the wheelchair platform is installed, wheelchairs would be located against the next row of seats, therefore, spectators would be able to see over wheelchairs in the same manner as anyone sitting in a regular seat. The only obstruction would be when wheelchairs are moving around on the front, which is no different than someone standing up and walking down the row.

Question: Raising the field surface to the point where the crown is presently located and leveled from there would place the field above the ten-year floodplain. Under a renovation option, if artificial turf were installed, is there the capacity to raise the field to the 20-year floodplain level?

Response: Mr. Holleman stated that there is a little give and take, but when watching a football game, spectators rarely sit and prefer to be about six feet above the grade in order to see over the shoulder of the player. The more the field surface is raised without raising the stadium, the worse the sight line will become for persons in the front row, therefore, a balance must be achieved.

Question: When studying at communities that regularly host AAU events, what are typically the number of soccer or lacrosse fields that a community should provide?

Response: Mr. Parker stated that it would depend on the size of the tournament. AAU officials would take as many as they could get, or perhaps in the realm of 20 to 40.

Question: How much of the work could be done in advance of receiving the Historic Tax Credit?

Response: Mr. Garland stated that Historic Tax Credit is a multi-application process and whether or not the project qualifies should be known prior to commencing the project. A preliminary application provides certain assurances that the project will qualify for Historic Tax Credit.

Mr. Garland advised that he felt comfortable in stating that Victory Stadium would qualify for Historic Tax Credits based on discussions with representatives of the Department of Historic Resources. The longest piece in the process would involve getting on the Register for Historic Landmarks; and a three-six month time period would be involved, including a lengthy pictorial process of photographing the current structure and providing proposed renovation plans to the Department of Historic Resources.

Question: With regard to the renovation option, what would be included on the second level out of the 100-year floodplain?

Response: Mr. Holleman stated that the second level would include restrooms, concessions, concourse and stairs. Locker room facilities would have to go either on ground level or in a separate building; however, if the City pursues the Historic Tax Credits, a separate building could not be constructed.

Mayor Harris expressed appreciation to Mr. Garland, Mr. Parker and Mr. Holleman for their presentations. He stated that if Council Members require additional information, they are requested to e-mail their question(s) to the City Manager who will forward the question(s) to the consulting team, and the question(s) and response(s) would then be e-mailed to all Members of the Council.

The Mayor advised that the Roanoke City School Board had tentatively been requested to meet with the Council Thursday, November 3 at 4:00 p.m.; however, he stated that the Chair had previously indicated that the School Board did not have a presentation that it wished to make to the Council.

He called attention to correspondence from the School Board Chair transmitting a preliminary report of the Superintendent's Athletic Committee, and noted that the School Board would be available to provide clarification to respond to questions by Council, and/or to engage in dialogue; whereupon, he inquired as to the pleasure of the Council.

Vice-Mayor Fitzpatrick stated that the communication from the School Board was tantamount to not accepting responsibility for the duties of School Trustees. He further stated that it is the responsibility of the School Board to advise Council as to what the School Board believes is in the best interest of the young people who attend Roanoke's schools, and whether the City of Roanoke can afford to do what the School Board wants, or agrees with their recommendations, is an issue for the Council to address. He advised that it is the responsibility of the School Board to apprise Council of the Board's position regarding Victory Stadium versus stadia at the two high schools.

Council Member Cutler stated that Council should pursue the opportunity to meet with the School Board on Thursday, November 3, 2005 at 4:00 p.m.

Council Member McDaniel spoke in support of meeting with the School Board on November 3 to hear the Board's position on the issue.

Council Member Lea stated that there had been ample time for the School Board to present its position to the Council regarding stadia at the two high schools inasmuch as the matter has been on the table for an extended period of time, and to bring the School Board into the discussion at this "11th hour" would only cloud the issue. He advised that it is incumbent upon the Council to move forward and make a long overdue decision with regard to Victory Stadium. He called attention to correspondence from the Chair of the School Board advising that the Board has no recommendation to submit to the Council, therefore, to force the School Board to make a recommendation would be inappropriate on the part of Council.

Council Member Wishneff concurred in the remarks of Mr. Lea and advised that an alternative would be to ask the School Board to review the consultant's report and advise if the five options meet the needs of the school system.

Vice-Mayor Fitzpatrick stated that the School Board is appointed to operate Roanoke's schools and to provide the best possible education for the City's 13,000 students. He added that to have an issue involving high school football with no direction from the School Board, which is responsible for school programs, is ludicrous. He advised that his purpose in calling for the joint meeting is to offer an opportunity for the School Board to review the five options and to advise Council of what the Board believes will be in the best interest of Roanoke's students.

Council Member Wishneff stated that when he served on the Roanoke City School Board, the School Board advised Council, in writing, that it supported the renovation of Victory Stadium.

Council Member Dowe stated that the School Board should be informed of all ramifications associated with the five options presented by the consultant, inasmuch as the School system will be the Stadium's largest user.

The Mayor advised that five members of the School Board were present and heard the Council's discussion; and Council had previously received correspondence from the Chair of the School Board, and he would contact her on the following day to invite additional comment, either in person or in writing, by the School Board as a result of the consultant's report. He stated that this approach would leave the decision with the School Board in terms of how the Board would like to interact or communicate with the Council, and he would advise the Council prior to the close of business on Wednesday, November 2, if the School Board wishes to meet with the Council on Thursday, November 3, 2005, at 4:00 p.m.

There being no further business, the Mayor declared the special meeting adjourned.

APPROVED

ATTEST:

Mary F. Parker
City Clerk

C. Nelson Harris
Mayor

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